

El Creston Mutual Domestic Water Consumers Association

Board Meeting *Minutes*

Thursday Feb 2, 2017 7:00 pm 49 Mirasol Road, Ojitos Frios Ranches Subdivision

Present: Gene Solyntjes, Crystal Gallegos, Karyl Lyne **Members of the public:** Virginia Castro, Camille Hewett, Ken King, Carol McComber, Jim Peters, Linda Solyntjes, Cheryl Zebrowski

1. **Call to order and proof of quorum**—*Meeting was called to order at 7:04 pm with a quorum present.*
2. **Proof of notice of meeting**—*Notices were distributed as usual.*
3. **Approval of Agenda**—*The agenda was approved unanimously. Crystal/Karyl*
4. **Approval of previous meeting minutes** – *Minutes from the January 4 regular board meeting and the January 19 special board meeting were approved unanimously. Crystal/Gene*
5. **Treasurer’s Report**—*See attached.*
 - a. **Filings status (DFA budget, Audit Act, etc.)** *WTB Quarterly report wa submitted. DFA Budget documents were submitted.*
 - b. **2016 Audit**—*The Tier 2 Report is taken care of.*
 - c. *Jim Peters reviewed the Final El Creston 2016 Budget/Actual as of 12-31-16.*
6. **New business**
 - a. **Water System Phase I Update**
 - i. **Current Issues** -- None to report
 - ii. **Planned completion steps and scheduling** – *Line is being extended to Ricardo’s. We need to find funding for a hydrant at the end of the line, \$3K - \$5K. Souder/Miller has prepared a draft “punch list” of items to be completed. A substantial completion meeting will be scheduled once construction is completed. Mora-San Miguel requires another notarized document from Crystal and Dave.*
 - b. **Review of current and planned funding applications**
 - i. **Water Trust Board**
 1. **2017**—*Application has been submitted. \$700K to build out to the fire station and vicinity, as well as CR A20 near Mirasol. Some additional items from the Environment Department and the Office of the State Engineer (OSE) may impact the application. That is still being worked out. We have until March to complete this.*
 - ii. **Legislative Capital Outlay**
 1. **2015**—*Should be expended with the next invoice.*
 2. **2016**—*Should be expended with the next invoice.*
 3. **2017 Request**—*Initial request (\$28K) submitted. Amount based on conversations between Ramon and Rep. Salazar.*
 - iii. **DWSRF** – *Project Interest Form in development. No proposal developed yet.*
 - iv. **USDA**—*Evaluating advantages compared to DWSRF*

- c. **Water hauling** – Ricardo has turned the water hauling responsibilities to Sal Maese. He has also resigned his position on the El Creston Board.
 - i. **Recent compliance issues**—*All sampling violation public notices have been handled.*
 - ii. **Water operator contract**—*Submitted. Need to set up invoicing process.*
 - iii. **Review of current needs and activities** -- *Driver ad submitted to LV Optic. Need to reimburse Ricardo for the ad (please request the receipt from him and get him reimbursed.)*
- d. **Membership drive update/number of members**—*In reviewing the bylaws, Cheryl discovered that membership must be affirmed by a vote of the board, even though membership documents have been signed by the board president and secretary.*
- e. **Rules and Regulations document review**—*Cheryl will email the rules and regs to the board.*
- f. **Election planning**—*Mitch Barker will send the initial letters announcing board vacancies of President, Vice President, Secretary and Board Member, and inviting candidates/nominees. He will also prepare and send the letter with the ballot, which people complete and mail back before the Annual Meeting.*
- g. **Annual meeting planning** *The ballots are opened and counted at the meeting, which will probably be on Saturday March 26 at the Sheridan Fire Station.*
- h. **Upcoming training**—*Joe has signed up for Asset Management training on March 18. Anyone is welcome to sign up. Joe wants to take on this project when he is off the board.*

Communicating with the Public about Water Infrastructure 2-9-17 Webinar EFCN

Financing for the Future-Financial Longevity for Municipal Operations 2-16-17 Webinar EFCN

Basic Financial Management (6 board & operator credit hours) 5-6-17 Las Vegas EFCN

7. **Public comment** --*None*

8. **Review action items**—*Affirm membership; look at rules and regs.*

9. **Next meeting date**—*March 2, 2017 7pm 49 Mirasol*

10. **Adjourn**—*Meeting was adjourned at 8:03 pm.*

Respectfully submitted

Karyl Lyne, Secretary

- 1) **Activity Summary** - As of 2/02/17, we have \$4,146.33 in Checking and \$3,569.14 in Savings with a combined Checking and savings total of \$7,715.47.
- 2) **Deliveries**- Ricardo Valenzuela will be paid for 9 deliveries on Feb 5 for the month of January 2017.
- 3) **City of Las Vegas**- \$105.33 due on Feb 3,2017 for service period of 11-09-2016 to 12/09/2016.
- 4) **Truck Expenses**- \$95.00 spent on fuel in January 2017.
- 5) **Expenses paid**- Boost Mobile \$32.52 December 2016, Federal employment tax \$242.29.
- 6) **Upcoming Payments** - Philadelphia Insurance Companies \$595.00 due Feb 5, 2017. This amount is reduced from \$815.00 in previous years. NM Finance Authority/WTB due in June.

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2016 Budget/Actual as of December 31, 2016

	2016 Budget	2016 Actual	2016 Budget/Actual	Percent of Budget
Beginning Cash				
Truck loan reserve	\$ 2,210.54	\$ 2,210.54	\$ -	
Water hauling operating reserve	2,374.00	2,374.00	-	
System operating reserve	-	-	-	
Unreserved	<u>3,701.32</u>	<u>3,705.62</u>	<u>4.30</u>	
Total Beginning Cash	8,285.86	8,290.16	4.30	
Administration				
Revenues				
Assessments	2,448.00	5,152.00	2,704.00	110.46
Donations	100.00		(100.00)	(100.00)
Interest and miscellaneous	3.00	4.68	1.68	56.00
New Memberships	<u>500.00</u>	<u>600.00</u>	<u>100.00</u>	<u>20.00</u>
Total Admin Revenues	3,051.00	5,756.68	2,705.68	88.68
Expenses				
Accounting	858.00	1,276.39	(418.39)	(48.76)
D & O Insurance	799.00	813.00	(14.00)	(1.75)
Filing fees	420.00	300.00	120.00	28.57
Supplies and administrative expenses	177.00	262.42	(85.42)	(48.26)
Website	<u>139.00</u>	<u>131.40</u>	<u>7.60</u>	<u>5.47</u>
Total Admin Expenses	<u>2,393.00</u>	<u>2,783.21</u>	<u>(390.21)</u>	<u>(16.31)</u>
Net Administrative	658.00	2,973.47	2,315.47	351.90
Water Hauling				
Revenues				
Hauling fees	12,900.00	13,982.00	1,082.00	8.39
Water charges	<u>3,600.00</u>	<u>3,720.00</u>	<u>120.00</u>	<u>3.33</u>
Total Water Hauling Revenues	16,500.00	17,702.00	1,202.00	7.28
Expenses				
Cell phone		298.09	(298.09)	
Driver gross wages	5,250.00	5,675.00	(425.00)	(8.10)
Driver payroll taxes	506.63	555.90	(49.28)	(9.73)
Gas	1,323.72	1,354.50	(30.78)	(2.33)
Gross receipts tax	1,288.00	-	1,288.00	100.00
Insurance - truck liability	479.00	445.00	34.00	7.10
Insurance - workman's comp	1,000.00	849.00	151.00	15.10
Maintenance	521.00	2,774.93	(2,253.93)	(432.62)
Transfer to loan reserve	1,789.46	1,789.46	-	-
Truck licensing	49.00	49.05	(0.05)	(0.10)
Water costs	<u>3,579.00</u>	<u>3,590.61</u>	<u>(11.61)</u>	<u>(0.32)</u>
Total Operating Expenses	<u>15,785.81</u>	<u>17,381.54</u>	<u>(1,595.74)</u>	<u>(10.11)</u>
Net Water Hauling	714.20	320.46	(393.74)	(55.13)

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2016 Budget/Actual as of December 31, 2016

	2016 Budget	2016 Actual	2016 Budget/Actual	Percent of Budget
<i>System Revenues and Expenses</i>				
Revenues				
Water hauling water sales	620.36		(620.36)	(100.00)
Additional stand pipe sales	320.00		(320.00)	(100.00)
Connection revenues	1,120.00		(1,120.00)	(100.00)
Standby assessments	40.00		(40.00)	(100.00)
Capital Grants	10,000.00	-	(10,000.00)	(100.00)
Total System Revenues	12,100.36	-	(12,100.36)	(100.00)
Expenses				
Electrical costs	465.85		465.85	100.00
Accounting and administrative	334.00		334.00	100.00
Advertising	400.00		400.00	100.00
Audit fees	1,070.00		1,070.00	100.00
Gross receipts tax	103.02		103.02	100.00
Easement leases	900.00	600.00	300.00	33.33
Water operator	583.00		583.00	100.00
System Planning Loan	532.12	532.12	-	-
WTB #1 loan payment	5,126.54	237.54	4,889.00	95.37
Capital expenditures.	10,000.00	267.08	9,732.92	97.33
Transfer to system operating reserve	174.33	-	174.33	100.00
Total Operating Expenses	19,688.86	1,636.74	18,052.12	91.69
Net System Cash Flows	(7,588.50)	(1,636.74)	5,951.76	(78.43)
<i>Restricted Revenues and Expenses</i>				
Transfers to reserves	1,963.79	1,789.46	(174.33)	(8.88)
Truck loan proceeds and (payments)	(4,000.00)	(4,000.00)	-	-
Net Restricted Cash Flows	(2,036.21)	(2,210.54)	(174.33)	8.56
Net Cash Flows	(8,252.51)	(553.35)	7,699.16	(93.29)
Ending Cash Balance				
Truck loan reserve	-	-	-	-
Water hauling operating reserve	2,374.00	2,374.00	-	-
System operating reserve	174.33	-	(174.33)	(100.00)
Unreserved	(2,514.98)	5,362.81	7,877.79	(313.23)
Total Ending Cash Balance	\$ 33.35	7,736.81	7,703.46	23,100.92

El Creston 2016 Budget Actual Explanations

We ended the year with \$7,703.46 more in the checking account than we budgeted. The major reasons are:

Higher revenues and lower expenses

- We collected \$2,400 in assessments from last year that we hadn't budgeted for this year.
- We did a few more water deliveries than we budgeted.
- We budgeted to pay easement leases of \$900, but only paid \$600. The \$900 included only \$300 for the well site but \$600 for the fill station, which led to a \$300 benefit.
- We haven't paid gross receipts taxes yet this year and owe about \$1,250 since we haven't paid for 2015 either.
- We received a waiver on our WTB loan. We had budgeted \$5,127 for it.
- Workman's' comp was \$151 lower than budgeted because of an experience rate reduction.
- We gained \$5,959 because we got the WTB loan payment waived and got a grant for the audit.

Lower revenues and higher expenses

- Accounting expenses are \$418 over budget. Our budget is based on a monthly fee, but we paid an additional annual charge in the second quarter, which we neglected to budget for.
- We spent \$2,775 on truck repair and we only budgeted \$52. We lowered the budget to get it to balance for the DFA and knew this amount was underestimated.

Conclusions

Administration - Our administrative cash flows are ahead of budget because the assessments were higher as well as lower filing fees more than compensate for the higher accounting costs.	\$2,315
Water hauling - The higher number of deliveries just about compensated for the higher maintenance costs	-394
Systems - The waiver of the loan payment and delayed payment of easement leases created a large, positive effect.	5,778
Total difference	\$7,703