

El Creston Mutual Domestic Water Consumers Association
November 2, 2017 Board Meeting
25 Coyote Road, Ojitos Frios Subdivision

In attendance: Crystal Gallegos, Cheryl Zebrowski, Dennis Ditmanson Public: Karyl Lyne, Jim Peters

1. Meeting was called to order at 7:05 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/Cheryl) Motion passed.
4. Motion made and seconded to approve the minutes from October 5th. (Dennis/Crystal) Motion passed.
5. Treasurer's Report
 - a. See attached with pen corrections for item 3.
 - b. El Valle Contract. Crystal has been unable to contact them. Dennis talked with Ramon who said he would take care of it.
 - c. 3rd Quarter Financial Review
 - c.i. See attached.
 - c.ii. Crystal submitted to the DFA.
 - d. Jim presented a draft 2018 budget. See attached.
 - d.i. It was pointed out that the membership fees are now \$250
 - d.ii. Jim suggested that all board members review and send Jim comments before our January meeting.
 - d.iii. Motion made and seconded (Dennis/Crystal) to approve the proposed draft 2018 budget as amended.
 - d.iv. Crystal will submit it to DFA by December 1st
 - e. Assessment letters – Crystal and Cheryl will work on those this month.
6. Aquifer Mapping Program. The pressure transducer was installed on October 26th. The data will be downloaded and sent to us every six months.
7. Water System Phase I Update
 - a. Legal Updates – There are 3 wells which have some paperwork issues. Cheryl is contacting the homeowners.
 - b. Corn Litigation: Per an e-mail from Ken: "I was concerned after the last amendment to the complaint, that our water rights and permit might become entangled with the litigation and subject to a non-technical District Court Judge review and decision. So I filed another brief to dismiss, followed by Corn's brief in opposition, and finally a reply brief. Corn's attorney then obtained permission to withdraw or cancel those counts from the amended complaint. The Stipulated Dismissal was signed and was filed this afternoon. I have also asked Corn's attorney for a 30 stay of discovery while I am in Houston."
 - b.i. Crystal sent Ken some Unit 2 information.
 - c. Silt from well site at Dorothy and Sarah– discussed briefly with Ramon and Andrea Telmo from the NM Environment Department who will forward some of their recommendations.
 - d. Start of system – Ramon estimates January.

8. Funding

- a. Water trust Board 2018 application – Gene attended the meeting, and Ramon gave our presentation. We won't hear anything until after the legislative session next spring.

9. Water Hauling

- a. Environment Department application – Ramon is trying to meet with Gene and/or Dennis. Joe also met someone who is doing this elsewhere in the state. She is willing to discuss the process with us.

10. Membership

- a. Cheryl sent 3 letters requesting that the current owners transfer their memberships. They have until December 1st to respond.
- b. Cheryl has started contacting members. One has committed to connect at \$75, and 1 will connect as a stand-by. 1 person is still deciding, and 1 person declined to connect. She also checked past minutes to find out who is entitled to a free meter. Per minutes from 9-24-2011, anyone who joined before that date will receive the meter.

11. Public Comment

- a. El Creston was awarded the Best Practices in Planning from the NM Infrastructure Finance Conference. Gene and Cheryl attended the awards breakfast. Las Vegas and Main Street also won the economic development award for their work in the railyard district.
- b. Art and Toni Atencio introduced themselves and have purchased the property next to the Ditmansons.

12. Review Action Items

- a. Assessment letters – Cheryl & Crystal
- b. Review proposed 2018 budget – everyone
- c. Contract with El Valle – Gene and Crystal
- d. Water hauling application – Gene and Dennis
- e. Contact people along county road - Cheryl

13. Next Meeting date: December 7th. Cheryl will be working in Angel Fire, so will set up a ZOOM session.

14. Meeting adjourned at 8:14 p.m.

Respectfully submitted by Cheryl Zebrowski, Secretary

- 1) **Activity Summary** - As of 11/02/17, we have \$1,750.75 available in Checking and \$4,470.03 in Savings with a combined Checking and savings total of \$6,220.78.
- 2) **Deliveries** – Salomon will be paid for 4 deliveries with 1 service call for Oct 2017 and there were 2 deliveries done by Gene for a total of 6 deliveries in Oct.
- 3) **City of Las Vegas**- ~~\$210.34 for service period of 06-08-2017 to 7/7/2017~~ and ~~\$232.28 for service period 7/7/2017 to 08/06/2017~~. ^{116.67 due for 8-16-17 to 9-5-17 due} _{Monday}
- 4) **Mora San Miguel Electric** - \$21.37 due 11/4/2017 for service period 8/25/2017 thru 9/23/2017 0 KWH usage.
- 5) **Truck Expenses**- \$129.19 was used for fuel in the month of Oct 2017
- 6) **Expenses paid**: Boost Mobile \$33.03, Monthly Intuit payroll fee paid of \$42.58.
- 7) **El Valle Water Alliance**- \$150.00 to reoccur every month.
- 8) **Upcoming**: The cell phone was lost so a new phone will need to be purchased. This will potentially cost \$20.00 to \$60.00

**El Creston Mutual Domestic Water Consumers Association
Analysis of Budget/Actual Differences - Third Quarter 2017**

- The budget/actual report is year to date, not just the third quarter.
- You have \$1,580 more in your checking account at the end of June than you budgeted. The main reasons are:
 - ✓ Water hauling lost \$1,459 instead of making \$349. The difference is due to fewer loads and higher gas, workman's comp, and maintenance costs in spite of fewer loads delivered.
 - ✓ The system only lost \$1,667 compared to a budgeted loss of \$8,278. The budget loss was caused by budgeting part year of operations when many of the costs are fixed for a year. You lost less money because you didn't incur any of these fixed costs. However, you also spent \$900 on OSE fees that were not budgeted. You also received a unbudgeted \$1,500 donation.
- You should have adequate cash to make it through the year, but the cash balance will probably continue to decline because of lower water hauling revenues, unpaid gross receipts taxes, and unbudgeted attorney's fees. You also aren't making any budgeted transfers to reserves because of cash shortages. Eventually these will need to be replaced to provide for uncertainties and to keep funding agencies happy.

El Creston Mutual Domestic Water Consumers Association			
2017 YTD Budget/Actual Comparison			
	2017 3rd Qtr YTD Budget	2017 3rd Qtr YTD Actual	Difference from Budget
Beginning Cash			
Water hauling operating reserve	\$ 2,374.00	\$ 2,374.00	
System operating reserve	-	-	
WTB Loan reserve	-	-	
Unreserved	<u>5,362.81</u>	<u>5,362.81</u>	
Total Beginning Cash	7,736.81	7,736.81	
Water System			
Revenues			
Assessments	-	660.00	660.00
Connection revenues	5,040.00		(5,040.00)
Donations	75.00	1,500.00	1,425.00
Capital Grants	-	30,810.51	30,810.51
Gross receipts tax	252.00		(252.00)
Interest and miscellaneous	4.00	0.87	(3.13)
New hookup charges			-
New Memberships	1,000.00		(1,000.00)
Standby charges	90.00		(90.00)
Water hauling water sales	<u>1,408.00</u>	<u>-</u>	<u>(1,408.00)</u>
Total System Revenues	7,869.00	32,971.38	25,102.38
Expenses			
Accounting	690.00	558.98	131.02
Audit fees	1,245.00		1,245.00
Capital expenditures	-	31,710.08	(31,710.08)
D & O Insurance	813.00	564.00	249.00
Easement leases	600.00		600.00
Electrical costs	2,100.00	(17.62)	2,117.62
Filing fees		309.00	(309.00)
Gross receipts tax	252.00		252.00
Legal and professional fees		494.88	(494.88)
Mileage reimbursement	133.00		133.00
NM Oncall	200.00		200.00
Operation and maintenance	500.00		500.00
Operator/meter reading	1,467.00		1,467.00
Sampling and testing	167.00		167.00
Supplies and administrative expenses	90.00	84.50	5.50
System Planning Loan	532.00	225.32	306.68
Transfer to system operating reserve	1,432.00		1,432.00
Transfer to loan reserve	667.00		667.00
Website	132.00	175.37	(43.37)
WTB #1 loan payment	<u>5,127.00</u>	<u>532.12</u>	<u>4,594.88</u>
Total System Expenses	16,147.00	34,636.63	(18,489.63)
Net System	(8,278.00)	(1,665.25)	6,612.75

El Creston Mutual Domestic Water Consumers Association			
2017 YTD Budget/Actual Comparison			
	2017 3rd Qtr YTD Budget	2017 3rd Qtr YTD Actual	Difference from Budget
<i>Water Hauling</i>			
Revenues			
Hauling fees	9,792.00	6,031.00	(3,761.00)
Water charges	2,448.00	1,584.00	(864.00)
Total Water Hauling Revenues	12,240.00	7,615.00	(4,625.00)
Expenses			
Accounting	518.00	372.66	145.34
Cell phone	297.00	294.21	2.79
Driver gross wages	3,570.00	2,531.00	1,039.00
Driver payroll taxes	375.00	231.36	143.64
Gas	594.00	1,122.96	(528.96)
Gross receipts tax	638.00		638.00
Insurance - truck liability	445.00	463.00	(18.00)
Insurance - workman's comp	849.00	1,101.00	(252.00)
Maintenance	997.00	1,368.64	(371.64)
Transfer to operating reserve	1,125.00		1,125.00
Truck license	49.00	49.05	(0.05)
Water costs	2,434.00	1,540.52	893.48
Total Operating Expenses	11,891.00	9,074.40	2,816.60
<i>Net Water Hauling</i>	349.00	(1,459.40)	(1,808.40)
<i>Restricted Revenues and Expenses</i>			
Transfers to reserves	3,224.00	-	(3,224.00)
<i>Net Restricted Cash Flows</i>	3,224.00	-	(3,224.00)
<i>Net Cash Flows</i>	(4,705.00)	(3,124.65)	1,580.35
Ending Cash Balance			
Water hauling operating reserve	3,499.00	2,374.00	(1,125.00)
System operating reserve	1,432.00	-	(1,432.00)
WTB loan reserve	667.00	-	(667.00)
Unreserved	(2,566.19)	2,238.16	4,804.35
Total Ending Cash Balance	\$ 3,031.81	\$ 4,612.16	\$ 1,580.35