

El Creston Mutual Domestic Water Consumers Association
January 4, 2018 Board Meeting
49 Mirasol Road, Ojitos Frios Subdivision

In attendance: Gene Solyntjes, Crystal Gallegos, Cheryl Zebrowski, Dennis Ditmanson Public:
Jim Peters

1. Meeting was called to order at 7:06 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. (Dennis/Crystal) Motion passed.
4. Motion made and seconded to approve the minutes from December 7th. (Dennis/Crystal) Motion passed.

5. Motion made and seconded to approve Resolution 2018-01, Open Meetings Act. (Crystal/Cheryl) Motion passed unanimously.

6. Treasurer's Report
 - a. See attached.
 - b. Jim gave a short presentation about the 2018 budget.
 - i. Motion made and seconded to approve Resolution 2018-02, 2018 Budget. (Cheryl/Crystal). Motion passed unanimously.

7. Water System Phase I Update
 - a. Diversion Application
 - i. Atencio's well transfer of ownership has gone through. Ken will re-submit the application without the Romero's property.
 - b. Corn litigation
 - i. Gene reported that Ken met with Corn's attorney.
 - ii. Corn has contacted the Environment Department regarding the project.
 - c. Gene just received the official Request from the OSE for Pre-Hearing Scheduling Conference for the protest of water rights transfer
 - d. Silt from well site-Invoice from HOA
 - i. Motion made and seconded that we not pay the invoice. (Dennis/Crystal)
 - 1) Discussion – we should have been notified in advance that we were going to be billed. The work that was done was no different from the rest of the road. \$1100 seems high just for the intersection of Dorothy and Mira Sol.
 - 2) Motion passed with Gene opposing.

8. Funding
 - a. Since we will not be receiving WTB funding, it was proposed that we apply for the Drinking Water State Revolving Fund.

9. Water Hauling-report and review
 - a. Charles Weber is the new driver, and is an excellent, responsive driver. Sal Maese is recovering and will be available soon.

- b. We are getting closer to 10 deliveries per month.
- c. Potential maintenance issues include replacing the hoses.

10. Membership Report

- a. Nothing new to report.

11. Public comment

- a. None

12. Review action items

- a. Gene will contact Ramon regarding the hearing for the protest hearing.
- b. Letter to El Valle. Gene will try to attend one of their board meetings, or arrange a meeting with them. Jim can meet Thursday or Friday.
- c. Crystal will draft a letter to the home owners association.

13. Next meeting date: February 8th.

14. Meeting adjourned at 8:20 p.m.

Respectfully submitted by Cheryl Zebrowski, Secretary

El Creston Mutual Domestic Water Consumers Association	
	2018 Budget
Beginning Cash	
Water hauling operating reserve	\$ 2,374.00
System operating reserve	-
WTB Loan reserve	-
Unreserved	<u>2,168.09</u>
Total Beginning Cash	4,542.09
Water System	
Revenues	
Assessments	2,400.00
Connection revenues	15,300.00
Capital grants	
Donations	100.00
Gross receipts tax	765.00
Interest and miscellaneous	-
New hookup charges	-
New Memberships	250.00
Standby charges	180.00
Water hauling water sales	<u>2,386.00</u>
Total System Revenues	21,381.00
Expenses	
Accounting	1,035.00
Audit fees	1,245.00
Capital expenditures	
D & O Insurance	564.00
Easement leases	600.00
Electrical costs	5,100.00
Filing fees	25.00
Gross receipts tax	765.00
Legal and professional fees	-
Mileage reimbursement	200.00
Miscellaneous	100.00
NM Onecall	200.00
Operation and maintenance	1,000.00
Operator/meter reading	2,200.00
Sampling and testing	250.00
Supplies and administrative expenses	124.00
System Planning Loan	532.00
Transfer to system operating reserve	1,496.67
Transfer to loan reserve	1,000.00
Website	175.37
WTB #1 loan payment	<u>5,127.00</u>
Total System Expenses	<u>21,739.04</u>
Net System	(358.04)

El Creston Mutual Domestic Water Consumers Association	
	2018 Budget
<i>Water Hauling</i>	
Revenues	
Hauling fees	9,600.00
Water charges	<u>2,400.00</u>
Total Water Hauling Revenues	12,000.00
Expenses	
Accounting	690.00
Cell phone	392.28
Driver gross wages	3,500.00
Driver payroll taxes	337.75
Gas	750.00
Gross receipts tax	480.00
Insurance - truck liability	474.00
Insurance - workman's comp	849.00
Maintenance	1,800.00
Transfer to operating reserve	-
Truck license	49.05
Water costs	2,386.00
Total Operating Expenses	<u>11,708.08</u>
<i>Net Water Hauling</i>	291.92
<i>Restricted Revenues and Expenses</i>	
Transfers to reserves	<u>2,496.67</u>
<i>Net Restricted Cash Flows</i>	<u>2,496.67</u>
<i>Net Cash Flows</i>	2,430.55
Ending Cash Balance	
Water hauling operating reserve	2,374.00
System operating reserve	1,496.67
WTB loan reserve	1,000.00
Unreserved	<u>2,101.97</u>
Total Ending Cash Balance	<u>6,972.64</u>

**El Creston Mutual Domestic Water Consumers' Association
Budget Assumptions for 2018 Budget**

Key Assumptions

- Beginning cash is the updated budgeted ending balance for 2017 as of June 30, 2017.
- The system is fully operational and billing all customers during the year.
- 17 connections paying \$75 per month and one standby paying \$15 per month.
- One new member at \$250.
- I reduced the number of total loads per year from 133 to 100 because of the shortfall in loads so far this year. Cost per trip are reduced because water will be picked up at a hydrant in the development.

Water System

Revenues

Assessments - \$60 per year for all members not hooked up to the system or being charged a standby charge with an 80% collection rate. The budget assumes 50 such members (one new regular member), 17 connected members, and 1 standby for a total of 68 members.

Capital Grants - I didn't include any at this point.

Connection revenues - \$75 per month for 14 hookups.

Donations - Estimated at \$100 per year.

Gross receipts tax - 5% charged on connection charges.

Interest and miscellaneous - Set to zero since 2017 year to date is less than \$1.

New hook up charges - Assumes the one new member in the construction area also hooks up to the system with a \$1,500 hookup fee.

New memberships - Estimated at 5 new members at \$100 per new membership and one at \$1,000.

Standby assessments - \$15 per month for one member who lives along an installed main water line for twelve months.

Water hauling water sales- The \$23.86 per load the system will receive from water hauling.

Expenses

Accounting- This is an estimate of what El Valle will charge for the year, to include covering water hauling accounting. I then distributed it 40% to water hauling and 60% to the system. This will need to be corrected once we have the El Valle costs.

Audit fees - Estimated based on the current year audit fees with a small increase for inflation. I assume we will no longer get grants for this because we will be fully operational.

Capital Expenditures - Assume none for 2018.

D & O Insurance - Based on 2017 actual of \$564.

Easement leases - \$600 per year for the well and tank site.

Electrical costs - I used the \$3,000 estimate from Ramon's rate calculations for 10 connections. However, because this budget is based on 14, I used a rate of \$300 per connection time 14 connections.

Filing fees - Assumed on for \$25 in 2018 for one new hookup.

Gross receipts tax - 5% of connection charges.

Legal and professional fees. I assume that litigation will clear in 2017 and that the IRS issues will be resolved such that you won't need to file tax returns in the future.

Mileage reimbursement - Estimate based on RCAC estimate of \$200 per year. Cost of reimbursing water operation and quality tester's travel costs.

Miscellaneous - I included an arbitrary \$100 because the 2017 year to date actual was small. However, I felt it was prudent to include something.

NM Onecall - Based on RCAC estimate of \$200 per year. Required contribution to centralized utility location service.

Operation and maintenance - Bases on RCAC estimates \$1,000 per year. This line item covers basic operations and routine maintenance of the system.

Operator/meter reading - Based on RCAC estimate of \$2,200 per year. This line item covers the cost of the Certified Water Operator and meter reading.

Sampling and testing - Based on RCAC estimates. Cost of monthly sampling and testing of water quality.

Supplies and administrative expenses - I doubled 2017 year to date actual as of June 30.

System planning loan - Based on the repayment schedule for the \$10,000 loan.

Transfer to system operating reserve - 15% of revenues excluding capital grants based on cash availability. We should accumulate this until the balance has reached 25%.

Transfer to loan reserves - 20% of debt service payments rounded to an even \$1,000.

Website - I used 2017 actual.

WTB #1 loan payments - Based on the repayment schedule for the \$99,885 construction loan associated with Phase 2.

Water Hauling

Revenues

Hauling fees - \$96 per load, 100 loads.

Water Charges - \$24 per load and 100 loads.

Expenses

Accounting - 40% of total costs.

Cell Phone - I annualized the year to date actual as of September 2017.

Drivers' Gross Wages - \$35 per load.

Driver Payroll taxes - This is the combination of:

- **FICA and Medicare** - The current combined employer rate is 7.65%.
- **Unemployment** - The starter rate for new businesses is 2% for the first two years. After that, the rate is adjusted for the number of approved unemployment claims filed against us.

Gas- Half the cost per load from 2017 times estimated loads for 2018. Trips will be half as long once we start filling the truck at a hydrant.

Gross Receipts Tax - 5% of delivery charges.

Insurance - Truck liability - based on 2017 actual

Insurance - Workman's comp - based on 2016 actual.

Maintenance - I estimated based on 2017 to date actual as of September 30 extended to 12 months.

Transfer to operating reserve - Estimated \$1,500 to transfer expected excess cash to reserves.

Truck licensing fees - Based on 2017 actual.

Water Costs - \$23.86 per load.

MDWCA: El Creston Mutual Domestic Water Consumers Association
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Calendar Year

2018

	APPROVED BUDGET	1st QR: Jan - Mar	2nd QR: Apr - Jun	3rd QR: Jul - Sept	4th QR: Oct -Dec	Year to Date(YTD) Totals	YTD (over)/under BUDGET	% of Budget
Beginning Cash balance	\$ 4,542.09							
REVENUES (General Fund)								
Water Sales	27,480					\$ -	\$ 27,480.00	0%
Service Charges	-					\$ -	\$ -	-
Membership dues	2,650					\$ -	\$ 2,650.00	0%
Penalties and Fees						\$ -	\$ -	-
Miscellaneous	865					\$ -	\$ 865.00	0%
REVENUE TOTALS	\$ 30,995					\$ -	\$ 30,995	0%
EXPENDITURES (General Fund)								
Administrative Cost	3,525					\$ -	\$ 3,525	0%
Electricity	5,100					\$ -	\$ 5,100	0%
Bookkeeping Fees	1,725					\$ -	\$ 1,725	0%
Organization Costs						\$ -	\$ -	-
Upgrade System						\$ -	\$ -	-
Postage & Delivery						\$ -	\$ -	-
Office Supplies	124					\$ -	\$ 124	0%
Taxes						\$ -	\$ -	-
Operator Cost	300					\$ -	\$ 300	0%
Operator Fee	2,650					\$ -	\$ 2,650	0%
Water Meters						\$ -	\$ -	-
Labor Cost	4,687					\$ -	\$ 4,687	0%
Software + Readers						\$ -	\$ -	-
PS - Attorney						\$ -	\$ -	-
AUP or Audit	1,245					\$ -	\$ 1,245	0%
PS-Attorney						\$ -	\$ -	-
PS-Design						\$ -	\$ -	-
Commission						\$ -	\$ -	-
Miscellaneous	3,550					\$ -	\$ 3,550	0%
						\$ -	\$ -	-
TOTAL EXPENDITURES	\$ 22,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,906	0%
TOTAL GENERAL FUND to include Beginning cash	\$ 12,631	\$ -						
Revenues (non-operating)								
SAP.. Appropriation Capital outlay								
State Grants								
Federal Grants								
Other								
Other								
Total Revenues (non-operating)	\$ -							
Expenditures (non-operating)								
Capital Outlay								
Payments	\$ 5,659							
Other								
Other								
Total Expenditure (non-operating)	\$ 5,659							
Total (Non-operating)	\$ (5,659)							
Estimated Ending Cash Balance on Dec 31, 2017	\$ 6,972.34	\$ -						

I HEREBY CERTIFY THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND THAT THIS REPORT DEPICTS ALL FUNDS

President/Chairperson

Date