



EL CRESTON

MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

Box 931

Las Vegas, New Mexico 87701

www.elcreston.org

March 25, 2020

Dear El Creston Members:

Due to the COVID-19 pandemic, we have decided to cancel the Annual Membership Meeting, originally scheduled for March 28th. This letter outlines some of our activities for the year, as well as upcoming projects.

Administrative

Ken King, who had been acting as our pro-bono attorney, and long-time community supporter, passed away in August. The board voted to name the water tank in his honor. Cheryl has put together both a records management plan and board notebook. This should ease the transition to new board members. We also settled the Corn Lawsuit in April.

Finances

Financially, we are breaking even, although we have not yet started repayment of the Water Trust Board loan, and have minimal in reserves. This year, the board approved a \$1000 fee if a member cannot transfer ¼ acre feet of water once they are connected to the system. The board also approved raising the monthly water rates by \$2. See the attached financial statement for our 2019 status.

Operations

We have now been operational to 14 people for a year and half! Due to so few connections, we have had to drain our system every 4-6 weeks to prevent contamination. This water is being offered as non-potable for \$1 a load, should anyone need it for livestock or gardens.

Water Hauling

We had 86 deliveries in 2019. When we set up the system, we had anticipated 120 deliveries a year. We will most likely start losing money on the water hauling operation within a year or two, and will need to discontinue this service. The board also approved raising the rate to \$125.

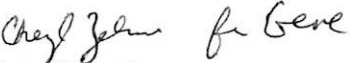
Future Projects

We received \$499,999 in Water Trust Board funding for construction north on Mira Sol, and east on the county road. This entails a 20% loan. Bids for construction should be out this spring, with construction in the summer/fall. We had a public meeting on November 9th, so our engineers from Souder Miller could talk about this project.

We also received \$110,000 in capital outlay this year. This money will be used for construction drawings of the next phase which is projected to be the Roadrunner-Coyote Road loop, as well as go towards construction costs. We also submitted a Water Trust Board Application for construction of this phase.

Should you have any questions or comments, please do not hesitate to contact me at 425-2613 or president@elcreston.org. You are also welcome to attend our monthly board meetings, usually held on the first Thursday of the month at 7:00 p.m. at my house, 49 Mira Sol in the Ojitos Frios Ranches subdivision.

Sincerely,


Gene Solyntjes
President

| El Creston Mutual Domestic Water Consumers Association 2019 Budget/Actual | | | |
|--|---------------|---------------|-------------------|
| | Budget | Actual | Difference |
| Beginning Cash | | | |
| System capital reserve | - | - | |
| System loan reserve | - | - | |
| System operating reserve | - | - | |
| Water hauling capital reserves | - | - | |
| Water hauling operating reserve | \$ 2,374.00 | \$ 2,374.00 | |
| Unreserved | 2,199.05 | 2,199.05 | |
| Total Beginning Cash | 4,573.05 | 4,573.05 | |
| Water System | | | |
| Revenues | | | |
| Assessments | 2,640.00 | 2,625.00 | (15.00) |
| Connection revenues | 6,300.00 | 8,022.54 | 1,722.54 |
| Capital grants | - | 44,980.52 | 44,980.52 |
| Donations | 100.00 | 4,150.00 | 4,050.00 |
| Loan for Court Settlement Donation | | 3,464.00 | 3,464.00 |
| Gross receipts tax | 450.00 | | (450.00) |
| Interest and miscellaneous | - | 0.84 | 0.84 |
| New Memberships | - | 250.00 | 250.00 |
| Standby charges | 2,700.00 | 2,071.25 | (628.75) |
| Water hauling water sales | - | - | - |
| Water rights fees | - | 1,000.00 | 1,000.00 |
| Total System Revenues | 12,190.00 | 66,564.15 | 54,374.15 |
| Expenses | | | |
| Accounting | - | 192.54 | (192.54) |
| Audit fees | - | | - |
| Capital expenditures | | 44,980.52 | (44,980.52) |
| D & O Insurance | 564.00 | 1,375.00 | (811.00) |
| Easement leases | 600.00 | 600.00 | - |
| Electrical costs | 516.60 | 332.99 | 183.61 |
| Filing fees | - | | - |
| Gross receipts tax | 450.00 | | 450.00 |
| Legal and professional fees | 2,500.00 | 8,144.17 | (5,644.17) |
| Loan payment court settlement | - | 1,750.00 | (1,750.00) |
| Miscellaneous | 100.00 | 538.08 | (438.08) |
| Operation and maintenance | 500.00 | | 500.00 |
| Operator | 1,836.00 | 2,407.95 | (571.95) |
| Supplies and administrative expenses | 124.00 | | 124.00 |
| System Planning Loan | 532.00 | 532.28 | (0.28) |
| Website | 175.37 | 190.05 | (14.68) |
| WTB #1 loan payment | 5,127.00 | 200.78 | 4,926.22 |
| Total System Expenses | 13,024.97 | 61,244.36 | (48,219.39) |
| Net System before transfers to reserves | (834.97) | 5,319.79 | 6,154.76 |
| Transfer to capital reserve | - | 2,000.00 | (2,000.00) |
| Transfer to loan reserve | - | 2,000.00 | (2,000.00) |
| Transfer to system operating reserve | - | 1,000.00 | (1,000.00) |
| Total transfers to reserves | - | 5,000.00 | (5,000.00) |
| Net System Cash Flows | (834.97) | 319.79 | 1,154.76 |

| El Creston Mutual Domestic Water Consumers Association | | | |
|---|-------------------|------------------|-------------------|
| | Budget | Actual | Difference |
| <i>Water Hauling</i> | | | |
| Revenues | | | |
| Hauling fees | 9,600.00 | | |
| Water charges | <u>2,400.00</u> | | |
| Total Water Hauling Revenues | 12,000.00 | 10,735.20 | (1,264.80) |
| Expenses | | | |
| Driver gross wages | 3,500.00 | 1,854.70 | 1,645.30 |
| Driver payroll taxes | 337.75 | 392.89 | (55.14) |
| Driver payroll taxes - late penalties | | 116.23 | (116.23) |
| Gas | 1,300.00 | 834.82 | 465.18 |
| Gross receipts tax | 480.00 | - | 480.00 |
| Gross receipts tax past due | 2,500.00 | - | 2,500.00 |
| Insurance - truck liability | 493.00 | 493.00 | - |
| Insurance - workman's comp | 1,100.00 | 1,101.00 | (1.00) |
| Maintenance | 1,800.00 | 1,026.83 | 773.17 |
| Truck license | 49.05 | 49.35 | (0.30) |
| Water costs | <u>2,386.00</u> | <u>3,156.52</u> | <u>(770.52)</u> |
| Total Operating Expenses | <u>13,945.80</u> | <u>9,025.34</u> | <u>4,920.46</u> |
| Net Water Hauling before transfers to reserves | (1,945.80) | 1,709.86 | 3,655.66 |
| Transfers to capital reserve | - | - | |
| Transfer to operating reserves | <u>-</u> | <u>-</u> | |
| Total Transfers to Reserves | <u>-</u> | <u>-</u> | |
| <i>Net Water Hauling</i> | (1,945.80) | 1,709.86 | 3,655.66 |
| <i>Restricted Revenues and Expenses</i> | | | |
| Transfers to reserves | - | 5,000.00 | |
| Unrestricted cash flows | <u>(2,780.77)</u> | <u>2,029.65</u> | |
| <i>Net Cash Flows</i> | (2,780.77) | 7,029.65 | 9,810.42 |
| Ending Cash Balance | | | |
| System capital reserve | - | 2,000.00 | |
| System loan reserve | - | 2,000.00 | |
| System operating reserve | - | 1,000.00 | |
| Water hauling capital reserves | - | - | |
| Water hauling operating reserve | 2,374.00 | 2,374.00 | |
| Unreserved | <u>(581.72)</u> | <u>4,228.70</u> | |
| Total Ending Cash Balance | <u>1,792.28</u> | <u>11,602.70</u> | 9,810.42 |