Alto Lakes Water & Sanitation District
Final Meeting Minutes for November 18, 2010

Alto Lakes Water & Sanitation District held a Regular Board Meeting on **Thursday, November 18, 2010** in the Conference Room of the ALW&SD Office located at 214 Lake Shore Drive, Alto, NM.

Call to order and roll call
Chairman Adamy called the meeting to order at 9:00 AM, and Asst. Secretary Brewington conducted roll call. Director Adamy attended telephonically, Directors Parker, Decker, and Knorr were present. Director Pope was absent.

Pledge of Allegiance

Approval of minutes for October 28, 2010 Regular Meeting
Director Knorr made a motion to accept the minutes of the October 28, 2010 Regular Board Meeting as presented. The motion was seconded by Director Decker and carried unanimously.

Approval of agenda
Director Parker made a motion to approve the Agenda as presented with the exception to allow the Chairman to address the other agenda items in the order that best facilitates the meeting. The motion was seconded by Director Decker and carried unanimously.

Consent Agenda

1. **Expenditures** Purchases/Payroll/Accounts Payable. Office Manager Brewington reported that there were no purchases, payroll, or accounts payable requiring Board approval.
2. **Approve Leak Credits** Office Manager Brewington reported there were two qualifying leak credit requests totaling $2,646.34.
3. **ACH Payments** Office Manager Brewington reported that online payments totaling $14,679.89 were made during the month of October.

Director Knorr made a motion to approve the consent agenda items as presented. Motion was seconded by Director Decker and carried unanimously.

Reports

District Manager's report

Water system update The system is currently operating well with all production goals being met for domestic, commercial and irrigation demands. Gallons produced totaled 9,568,367 in October, gallons sold totaled 8,059,367 gallons after billing adjustments. Production vs Sold shows losses of 15.7%, adjusted to 15% after factoring in leaks and flushing. Residential usage per meter is down from September by 27%. Water usage per month is down approximately 103 gallons/month per meter over the same period last year even factoring in 47 more active accounts. Year-to-date Domestic & Commercial sales are at 13.1% over ytd budgeted projections, and Irrigation sales are 26.4% under ytd budgeted projections. Water customers continue to report cleaner water filters and softer water.

Wastewater system update Souder, Miller and Associates should make recommendations soon based on their ALW&SD wastewater treatment plant leach field evaluation.

Solid waste update The October lease payment from Greentree Solid Waste Authority was received as required. Manager Edington presented solid waste pull statistics for October; there were 5 pulls with 150 cy's of green waste from the Greentree Collection Center, generating $380.20 collected fees. There were 2 pulls with 15.44 tons of Trash, 3 pulls with 32 yds of paper, no ash, 1 pull with 3 yds aluminum cans, no miscellaneous pulls, with $385.40 Misc. fees collected, and no metals roll-offs pulled, with fees of $8.90 collected. Greentree Solid Waste Center will be closed both Thursday and Friday, November 25 and 26, for Thanksgiving holidays. Customers will be notified.

Customer issues Manager Edington advised the directors that a billing error had been discovered which involved a customer being billed Fire Protection fees on two separate lots after the two lots had been legally re-platted into one in 1997; thereafter the lot should have been billed as one lot only. Chairman Adamy acknowledged the billing error and made a motion to reimburse the affected customer 100% of the difference of the originally billed amount and the corrected amount. The motion was seconded by Director Knorr and carried unanimously.

Personnel update Manager Edington requested approval of his taking vacation leave November 22nd through 24th. He also advised the Directors of the upcoming Local Government Division, Department of Finance & Administration annual Budget Conference scheduled for December 16 and 17, 2010. Director Knorr made a motion to approve the Thanksgiving vacation leave for Director Edington as requested, and to approve the attendance of Delores Brewington and David Edington (his schedule providing) at the scheduled December Budget Conference in Santa Fe. Director Parker seconded the motion which passed unanimously.

Regulatory update Manager Edington reported that he had Coppler draft a sales agreement for ALW&SD properties bid on during ALG&CC's closed bid process. He is currently working with the bidder to finalize a sales agreement in order to proceed. After a sales agreement is reached, the next steps include:

1. Obtain appraisals on lots
2. Board approved Title Company
3. Submittal of bid documents, appraisals, surplus property resolution, along with request to sell surplus property, to DFA.

Edington estimates timeframe of at least 60 days from closing on the sale, provided DFA approves the sale.

Clark Foreclosure: Edington advised that he had originally spoken with Gibson & Leonard, PC on the subject of the board's reluctance to follow through with the Clark foreclosure based on concerns about paving assessments on the two lots located in Deer Park Valley. Gibson & Leonard had advised him to go forward with the foreclosure as they had several interested parties interested in bidding on the lots which they felt they would sell at auction. The lots did not sell as anticipated, therefore the foreclosure was finalized with ALW&SD owning the lots. Gibson & Leonard, PC has acknowledged their missed call on advising AWL&SD to go forward with the foreclosure, and have offered to pay one year pavement assessments on the lots. Chairman Adamy made a motion to finalize the sale of the three lots bought through ALG&CC's closed bid process, then approach the Club about packaging the 2 DPV foreclosure lots with a golf membership. The motion was seconded by Director Decker and carried unanimously.

Projects report
Manager Edington reviewed ongoing projects:

1. WTP Phase I The third construction progress meeting was held on November 16th and was attended by Keith Rutherford, engineer, with Parkhill, Smith & Cooper; Paul Shoff and Jerome with SWCM; Andrea Telemo with NMED-CPB; ALW&SD Director Dan Knorr and District Manager, David Edington.

   Pipeline has been installed from in road right-of-way and has moved onto the golf course. Pipeline completion is about 14 days behind original schedule (December 14th); the contractor feels that pipeline completion will be accomplished by December 31st.

   The building footings, stem wall and pipe trench, electrical and plumbing rough-in have been completed and is readied for the slab which will be poured next week. Building erection cannot begin for at least 7 days after the slab is poured. Erection of the building should begin on about November 29th. The building is approximately 10 days behind original schedule; the contractor believes that substantial completion can be accomplished by January 28th.

   The tank ring has been completed and is ready for tank installation. Tank construction should take place between November 22nd and December 12th.

2. PRV Distribution Upgrade – Edington and Frank Coppler, have completed the required legal language for the project RFP, and Coppler is now working on contract language which will allow the District to be reimbursed from loan funds.

3. Distribution A – Request for RFP's was published in the Ruidoso News beginning November 10th; to date 4 engineering firms have requested and received RFP packages. Proposals are due November 30th.

Office Manager's report
Administrative update Office Manager Brewington advised that Chairman Adamy had drafted the Management's Discussion and Analysis report, providing an overview of the District's financial activities for the fiscal year ending June 30, 2010. The MD&A will be included in the final Audit Report which is on schedule for submittal to the State Auditor.
Financial reports Brewington presented and reviewed the October 2010 Balance Sheet which includes year-to-date comparison with previous year, the breakout of capital reserves, and the Revenues and Expenditures with comparison to Budget Report by category.
Lien Status Report Brewington presented the lien status report which included two Deer Park Valley Fire Protection accounts, each approaching foreclosure status. District Manager Edington requested guidance on proceeding into foreclosure on these two lots. The Board advised him to not file foreclosure at this time pending the sale of the ALWSD currently owned lots obtained through foreclosure.

Regular Business Agenda

Board Member Reports None

Discussion and possible action on NMED Sanitary Survey

Manager Edington presented his drafted letter to NMED acknowledging the cited significant deficiencies found during NMED's conducted Sanitary Survey conducted on October 14, 2010. The letter included ALWSD's proposed remediation plan for NMED approval:

1. ALWSD installation of fencing around the tank access ladders as recommended
2. ALWSD installation of wellhead protection bollards around the pitless adapter at Well S-6 as recommended
3. ALWSD installation of wellhead protection bollards around the pitless adapter at Well E-2 as recommended, in addition to a cable across the drive leading to the well to limit access to the well location
4. ALWSD bolting of the pitless adapters and installation of padlocks at Wells S-6 and E-2 to prevent unauthorized access.

Director Decker made a motion to authorize Edington to send the Sanitary Survey compliance letter to NMED as presented. The motion was seconded by Director Parker and carried unanimously.

Discussion and possible action on Caselle software review

Chairman Adamy, DM Edington and OM Brewington reviewed the feasibility of updating ALWSD accounting software from currently owned Caselle "Classic" software version to Caselle's upgraded "Clarity" version. Adamy questioned current computer operating system capacity to run the Clarity upgrade. Brewington has been researching upgrades of the existing ALWSD workstation computers with additional RAM and 2010 Windows 7 operating system. Discussion included the upgrade of existing equipment vs the purchase of new computers through State contract procurement. Brewington will continue her research. Further discussion was tabled pending additional information.

Discussion and possible action on exercise of water rights lease extensions

Manager Edington had spoken with legal council concerning ALWSD's water rights lease agreement with ALG&CC with lease extension options. ALWSD has paid in advance for 40 years lease of these water rights, thereby having already exercised all extension options. Director Knorr made a motion for Chairman Adamy to send a letter to ALG&CC declaring that ALWSD is exercising all four water rights options which have been previously paid for. Director Decker seconded the motion which carried unanimously.

Signing of Official Documents None

Announcement of next meeting

Chairman Adamy announced the next Regular meeting of the ALW&SD Board will be conducted on January 27, 2010, to be held at the District Office located at 214 Lake Shore Drive, Alto, NM. Meeting will begin at 9:00 AM in the District Office conference room. A Special meeting may be called if needed to approve RFP response for engineering for Distribution A.

Adjournment

Director Knorr made a motion to adjourn the meeting. The motion was seconded by Director Decker and carried unanimously. Meeting adjourned at 10:30 a.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary