Alto Lakes Water & Sanitation District
Final Meeting Minutes for February 24, 2011

Alto Lakes Water & Sanitation District held a Regular Board Meeting on **Thursday, February 24, 2011** 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, Knorr and Decker were present. Director Pope was absent.

Pledge of Allegiance

Approval of minutes for January 27, 2011 Regular Meeting
Director Parker made a motion to accept the minutes of the January 27, 2011 Regular Board Meeting as presented. The motion was seconded by Director Knorr and carried unanimously.

Approval of agenda
General Manager Edington requested discussion on a change to Water Treatment Phase I project be added to the agenda. Director Decker made a motion to approve the Agenda with the WTP-I discussion added, and with exception to allow the Chairman to address the agenda items in the order that best facilitates the meeting. The motion was seconded by Director Parker and carried unanimously.

Public Hearing on Ordinance 2011-01
Director Decker made a motion to open the Public Hearing on Ordinance 2011-01. The motion was seconded by Director Knorr and carried unanimously. Chairman Adamy declared the Open Hearing in session and reviewed Ordinance 2011-01, outlining the following revisions:

Definitions:
Water Utility Expansion Fee
- a fee charged concurrent with the installation of a new water meter which is intended to account for the burden of new customer service on upgrading and expanding the entire water system which includes water rights, well production, storage, transmission, and distribution

Water Meter Fee
- a fee charged for administration and installation of new water connections

Ordinance 2011-01 proposes reducing the current Water Meter Fees and imposing a Utility Expansion Fee in an amount equal to the reduction in the Water Meter Fees.

Chairman Adamy asked if there were any board comments or discussion on the Ordinance; there was none. He then asked if there was any interested party who had not had an opportunity to be heard; there were none present. The Public Hearing was closed on a motion by Director Decker and seconded by Director Knorr.

Director Knorr made the motion: "I move to adopt Ordinance 2011-01 which amends previously adopted Ordinance(s) and will affect all properties located within the Alto Lakes Water & Sanitation District boundaries as well as external water customers. This Ordinance provides for reduction of the current Water Meter Fees and imposes a new Utility Expansion Fee in an amount equal to the reduction in the Water Meter Fees." The motion was seconded by Director Parker. Upon a roll call vote all Directors present indicated a yea vote and Chairman Adamy declared the motion unanimously carried. Following the signing by the Board Chairman, the Ordinance and Affidavit of Publication for the Ruidoso News shall be filed with the Lincoln County Clerk, and notice of adoption shall be published in the Ruidoso News for three consecutive weeks. The effective date shall be March 24, 2011.

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 three qualifying leak credit requests totaling $1,142.95.
3. **ACH Payments** Office Manager Brewington reported that online payments totaling $12,619.07 were made during the month of January, 2011.

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

Chairman Adamy expressed Board recognition of the difficult work conditions and long hours worked by ALWSD staff in response to the February hard freeze emergency caused by extended below zero temperatures. The field staff's response helped curtail massive water loss by locating leaks and turning off meters at homes, and the office staff's patience and consideration in keeping anxious customers informed during the emergency are duly recognized and appreciated.

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. Flushed gallons was minimal at 50,200 gallons. Gallons produced totaled 4,545,505 in January and gallons sold totaled 3,894,666 after billing adjustments. Production vs Sold shows losses of 18.0%, adjusted to 14% after factoring in leaks and flushing. Residential usage per meter was down from December by 15%. Residential usage per month was up 1,387 gallons per meter over the same period last year. All wells are back on line and in operation.

Wastewater system update The system is meeting required treatment goals at this time, but is still in violation of permit due to the discharge location. Manager Edington has been researching vendors for small composite samplers to enable him to obtain composite samples at Site C and Moss lift stations to obtain more accurate TDS and chloride information.

Solid waste update The January lease payment from Greentree Solid Waste Authority was received as required. Manager Edington presented solid waste pull statistics for January; there were 6 pulls with 74 cy's of green waste consisting of approximately 50% pine needles and 50% forest waste from the Greentree Collection Center, generating $69.30 collected fees. There were 4 pulls with 27.25 tons of Trash, 1 pull with 8.6 yds Cardboard, 2 pulls with 32 yds of paper, 1 pull with 0.73 yds Ash, 1 pull with 3 yds aluminum cans, 2 rolloffs were pulled with 11.63 tons miscellaneous, with $117.64 Misc. fees collected, and no roll offs with metal were pulled.

Customer issues Director Parker reported customer misunderstanding of the advisory, previously mailed to all customers, outlining the Distribution A project upgrades. The project is fully funded through NM Water Trust Board grant, matching funds and low interest loan.

Personnel update Joe Saiz completed his Workforce Solutions on-the-job training program contract on February 15th. Under the contract, Workforce Solutions reimbursed ½ Joe's salary to ALWSD for his first 6 months of employment. He is now employed fulltime and paid in full by ALWSD.

Regulatory update Manager Edington reported that he had researched the unpaid planning grant applied for by ALWSD in 2007 and that the grant money is being held by New Mexico Finance Authority pending ALWSD Reimbursement Request Form filing; the grant money in the amount of $18,750 will then be released to ALWSD.

Update on Surplus property sales:

- Appraisals on each of the three lots have been obtained
- Appraisals must be sent to NM Taxation & Revenue Department, Property Division, for validity of appraisal report
- Mr. Joe Benke of Property Tax Division to review appraisal report
- Upon ALWSD receipt of the review of reports all required documentation to be submitted to the Finance Board of New Mexico with request for permission to sell the lots
- The original sales agreement with Mr. James for purchase of the three lots expires February 28th but Manager Edington has obtained signed extension of the agreement until the Department of Finance makes final determination on the sale.

Projects report None – project discussion under Regular Business Agenda

Office Manager's report

Administrative update Office Manager Brewington presented an update on computer status and the contemplated upgrade of current Caselle billing/accounting software. She had obtained State Contract bids on computers and recommended the purchase of 2 or 3 ea. Dell Inspiron-580 computers equipped with Windows 7 Professional 64bit operating system upgrade and Intel Core i5-650 high speed processor, at a cost of $593 each. She also recommended not upgrading Caselle software at this time due to reported time consuming transition. Brewington is also working on a revolving computer replacement program timeline. The Board concurred with the recommendations and agreed on the computer purchases.

Financial reports Brewington presented and reviewed the January 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.

Regular Business Agenda

Board Member Reports None

Discussion and possible action on Ordinance 2011-02 (more lenient leak credit provisions)

Chairman Adamy presented for discussion Ordinance 2011-02 which proposes providing a more lenient leak credit policy under "Normal" water conservation conditions and to provide provision that leak credits not exceed 50,000 gallons if the leak occurred during a billing period when Water Usage Restrictions were other than "Normal condition". Additionally, requirement that the homeowner have installed a "stop & waste valve" be changed to requirement of an installed "shut off valve" for leak credit eligibility. Ordinance 2011-02 is to be considered for adoption at the ALW&SD March 24, 2011 regular meeting. Director Decker made a motion to schedule a Public Hearing on Ordinance 2011-02 to be held in conjunction with the ALW&SD regular meeting on March 24, 2011. The motion was seconded by Director Parker and carried unanimously. Notice of the Public Hearing will be published four times in the Ruidoso News prior to the meeting.

Discussion and possible action on emergency response plan

Manager Edington presented a Draft Proposed Crisis Communication Policy to get information about a problem or crisis affecting Alto Lakes Water & Sanitation District to customers and reporting agencies as quickly and effectively as possible. During the "big freeze" emergency ALWSD communicated with customers through ALGCC and email list which may not reach everyone in a timely manner. Contracting with a webmaster to update and maintain ALWSD website with emergency posting timeline capability was discussed and recommended. The Village of Ruidoso used a Lincoln County interface for recorded phone messaging to customers. Manager Edington will pursue information on ALWSD accessing the County phone interface and follow up on contracting a webmaster.

Discussion and possible action on Phase I Distribution Upgrade
Manager Edington reported that Eric Krch with Souder, Miller & Associates (SMA) should have their Phase I Distribution Upgrade preliminary design to ALWSD on Monday, February 28th. Edington will contact ALWSD Design Review Committee members, Director Knorr and Director Decker, for review of the preliminary design when available, with full Board priority discussion prior to final design.

Discussion and possible action on PRV Project
Manager Edington has opened a joint application with NMFA for a loan. Souder, Miller & Associates are reviewing the OPC that the project is being based on. Following their review report, Edington will finish populating and submit the loan application. Loan acceptance may be delayed until after ALWSD's current NMFA loan closes.

Discussion and possible action on Wastewater Capacity Assessment
The Wastewater System is in violation of permit due to the inadequate discharge location. Souder, Miller & Associates' Wastewater Capacity Assessment results show ALWSD's leachfield already above maximum capacity. Remedy would require new disposal field 2 to 3 times the size of the current one which is not a feasible solution. The only viable solution is irrigation; but NMED has changed the use regulations for Class A water for irrigation.

Souder, Miller & Associates (SMA) submitted cost proposal of $2,294 + tax to:

- contact NMED staff responsible for reclaimed wastewater reuse and verify their technical requirements for irrigation system distribution of reclaimed wastewater
- develop a golf course irrigation system reuse evaluation to explore the potential of modifying the 30,000 gallon per day wastewater treatment plant discharge from the current subsurface discharge configuration to reuse on the adjacent golf course. The reuse would consist of discharging treated WWTP effluent into the golf course irrigation supply pond and the subsequent application on the golf course through the existing irrigation water distribution system, working with the golf course crew to review operation and management, inventory of discharge component types, verification of discharge capacity and 1A Classification trajectory and misting requirement compliance
- prepare a go/no go recommendation report for submittal to the ALWSD Board on whether NMED would accept the current irrigation distribution system without modification

Director Knorr made a motion to approve the proposed cost expenditure for the SMA study. The motion was seconded by Director Decker and carried unanimously.

Discussion and possible action on recent water studies in Eagle Creek
Manager Edington had attended an open house conducted by the Forest Service concerning Village of Ruidoso owned North Fork wells drilled in Eagle Creek (4 drilled, 3 outfitted and used for production). The USGS had conducted an independent study to determine potential effects of the North Fork well field on stream flow in the Eagle Creek Basin and to provide data for an Environmental Impact Statement. Forest Service proposed action based on the study is to authorize, under a new special use permit, the continued presence and operation of four Ruidoso municipal supplemental wells on National Forest System land in the North Fork of Eagle Creek drainage. The new permit would be similar to the expired permit, with additional limitation terms and conditions.

Based on the Hydrology Report and if Eagle Creek flows are augmented by Ruidoso, Edington believes ALWSD's water supply seems safe. However, if the Forest Service issues a permit with limitations that Ruidoso drill off Forest Service lands and they transfer water rights to move the wells closer to ALWSD Eagle Creek wells, well drawdown could occur. Director Parker made a motion to have Counsel, Frank Coppler draft a letter to the Forest Service stating that ALWSD has no objections to their recommendations on Ruidoso's North Fork wells as submitted, but to also provide information on ALWSD concerns and history. Director Decker seconded the motion which carried unanimously.

Discussion and possible action on Water Treatment Plant I changes (add on)
Manager Edington explained that he had received a letter from Parkhill, Smith & Cooper that they are at the end of the authorization for construction period services. Extension of the construction contract, repeated review of submittal that were not adequate as of the initial submittal and the Contractor changing superintendents three times have contributed to additional construction engineering time spent to date. It is anticipated that site visits for start-up and associated reviews will require approximately $9,500 in additional pay authorization for construction engineering to complete the project.

Director Parker made a motion to approve additional pay requests by Parkhill, Smith & Cooper, Inc., not to exceed $9,500. The motion was seconded by Director Decker and was approved. Director Knorr abstained from voting. There is approximately $17K left in contingency funds after PSC's additional engineering costs.

Water Treatment Plant Programming – It has been discovered that SWCM's controller excluded Interface Programming from his original bid. Therefore there is no communication between the Treatment Skid PLC, the Workstation PLC and ALWSD Scada System. Both SWCM and PSC are working on quotes for programming costs.
Director Decker made a motion to give Edington the authorization to sign off on the programming funding, with Edington and Knorr oversight. The motion was seconded by Director Parker and carried unanimously.

General update on the WTP-I Project:

- The lines have all been disinfected and completed testing this week
- Altitude valve was installed yesterday; tank to be filled yesterday or today for testing
- Control man is here and is running through the testing of variable speed drives
- Treatment / adage techs are due in Tuesday for system start-up
- Paving cuts today for road cut repairs
- Substantial completion planned for March 9th with 30 day punch list observation and clean up

Signing of Official Documents
Chairman Adamy and Secretary Parker executed Ordinance 2011-01. Office Manager Brewington will facilitate the required filing of Ordinance 2011-01 with Lincoln County and required newspaper publication scheduling.

Board Comments None

Announcement of next meeting
Chairman Adamy announced the next Regular meeting of the ALW&SD Board will be conducted on March 24th, 2011, 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.

Adjournment
Director Knorr made a motion to adjourn the meeting. The motion was seconded by Director Decker and carried unanimously. Meeting adjourned at 11:50 a.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary