Alto Lakes Water & Sanitation District
Final Meeting Minutes for April 28, 2011

Alto Lakes Water & Sanitation District held a Regular Board Meeting on **Thursday, April 28, 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 Office Manager Brewington conducted roll call. Chairman Adamy and Directors Parker, Knorr, Decker were present.; Director Pope attended telephonically.

Pledge of Allegiance

Approval of minutes for March 24, 2011 Regular Meeting
Director Knorr made a motion to accept the minutes of the March 24, 2011 Regular Board Meeting as presented. The motion was seconded by Director Decker and carried unanimously.

Approval of agenda
Director Decker made a motion to approve the Agenda 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 Knorr and carried unanimously.

Consent Agenda

1. **Expenditures** Purchases/Payroll/Accounts Payable. There were no purchases, payroll, or accounts payable requiring Board approval.
2. **Approve Leak Credits** Chairman Adamy presented five qualifying leak credit requests totaling $9,702.71.
3. **ACH Payments** Chairman Adamy presented online payments totaling $15,039.69 were made during the month of March, 2011.

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 District Manager Edington reported that the system is currently operating well with all production goals being met for domestic, commercial and irrigation demands. Gallons flushed totaled 57,400. Gallons produced totaled 11,655,132 gallons in March, and gallons sold totaled 9,355,930 after billing adjustments. Production vs Sold shows losses of 19.7%, adjusted to 16% unaccounted for water after factoring in flushing and billing adjustments. Directors questioned Edington regarding the sudden increase in unaccounted for water. Edington estimates 25% to 30% of our water meters are 20 years old or older; 2% or less deviation is standard. There is a possibility that an as yet undiscovered small line leak caused during the February big freeze is contributing to the current unaccounted for water loss.

Well #12 has been pulled; it has been determined that the motor and pump, which were installed in 2004, need to be replaced. The motor burned out and the pump impellers are very worn down. Manager Edington and Field Supervisor Osborn recommended also replacing the pipe and conducting well rehab. The Board approved expending $15,242 from the "Well (down hole) Replacement" reserve account for new motor and pump installation and rehabilitation of Well #12.

Well #E-5 production is down from 165 gpm to 100 gpm, due to a perceived hole in the column pipe; Edington will have E-5 pulled and the column pipe checked for possible replacement.

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. Wastewater sprinkler study discussion and possible action to be conducted under "Regular Business Agenda".

Solid waste update The March lease payment from Greentree Solid Waste Authority was received as required. Manager Edington presented solid waste pull statistics for March 2011; there were 13 pulls with 340 cy's of green waste from the Greentree Collection Center, generating $588.65 collected fees. There were 3 pulls with 14.47 tons of Trash, no Cardboard pulls, 5 pulls with80 yds of paper, no Ash pulls, 2 pulls with 4.5 yds aluminum can pulls, and 1 pull with 3.86 tonsof miscellaneous pulls, with $243.66 Misc. fees collected, and no metal pulls with $34.65 Metal fees collected.

Manager Edington presented a letter from Operational Supervisor Debra Ingle which she had submitted regarding the GTSWA Fuel Surcharge to County residents. On May 27, 2008 The GTSWA Board of Directors approved Resolution 2008-05-01, authorizing a fuel surcharge to all residential and commercial County residents upon fuel cost increases, triggered at $2.99 p/gallon. On February 25, 2011 the charge was activated when diesel fuel topped $4.00 per gallon, adding a $2.00 Fuel Surcharge to all County Residents. ALWSD Board does not believe this is equitable in view of the fact that Alto solid waste is transported out in bulk and that there is no individual household pickup service.

Extremely high winds have delayed the cutting of alternating slats out of the Convenience Station gate to allow air flow. Manager Edington is in process of getting cost quotes for rolling gate installation. $5,000 is in reserve for landscaping at the Convenience Station.

Customer issues Manager Edington reported that the Water District and the ALG&CC golf course crew uses a dedicated access road for maintenance; the easement goes across a customer's property; the homeowner also utilizes the easement to access her driveway. The homeowner states that extensive District and ALG&CC use has caused damage to the easement pavement, making it difficult for her to reach her driveway and she would like it repaired. Edington will discuss the situation with Mr. Lewis at the Club.

Personnel update Manager Edington informed the Board that employee Michael Yeager had resigned; last day worked was April 13th. Edington is working through NM Office of Workforce Solutions for a temporary, as needed employee until the vacated permanent position can be filled. Director Knorr made a motion authorizing an "as need" employee. The motion was seconded by Director Decker and carried unanimously.

Regulatory update Manager Edington reported that he was presented with an Alto Lakes Water & Sanitation District "Excellence in Operation Award" at the NMRWA annual conference. The award is presented by the New Mexico Rural Water Association each year.

Update on Surplus property sales Reports on appraisals were received from NM Taxation & Revenue Department, Property Tax Division and meets all required criteria. GSV Title has drafted Quick Claim Deeds, which have been sent to Coppler for review. Edington and Coppler are working on the submission to be forwarded to DFA to meet their May 24th deadline.

Projects report Water Treatment Plant phase I is 98% complete and in full operation. Final inspection was conducted on April 19th, 2011. SWCM is working on final punch list items and to present PSC with final documentation (release of liens, warranties, etc.). The paperwork should be closed out in May.

Office Manager's report

Administrative update Office Manager Brewington presented the current ALW&SD Lien Status Report reflecting positive results of a concentrated effort to collect outstanding accounts, complimenting administrative staff, Bobbi Guerra, on her persistent collection efforts.

Financial reports Brewington presented and reviewed the March 2011 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

GIS Presentation by North Line

District Manager Edington introduced Mr. Brad Larshell, with Northline GIS, who conducted a slide presentation on GIS system mapping. ESRI geographic information system technology (GIS) uses geographic location of water mains, meters, valves, etc. to integrate key database systems, i.e. to streamline asset data management tasks and help in visualization of important geospatial relationships. The program is designed to build a foundation to support all departments, creating:

- reduction of data redundancy
- improved accuracy and integrity of geographic information
- sharing of data efficiently and quickly
- integration of GIS and non-GIS applications

Board Member Reports None

Discussion and action on emergency Extreme water condition

Manager Edington presented a cost breakdown of expenses accrued during the White Fire to include the rental of two emergency generators with electrical and fuel costs. The generators were required to keep the wells online after the declaration of Emergency Extreme Water Condition was declared. Director Knorr made a motion to confirm the action previously taken in declaring extreme water conditions. The motion was seconded by Director Parker and carried unanimously.

Discussion and action on Change Order #3 for Water Treatment Plant - Phase I

Manager Edington presented documentation of Southwest CM Change Order #3 request in the amount of $14,509.50 which includes NMGRT and NMFA Admin Fee. Director Parker made a motion to approve and pay Change Order #3 as presented. The motion was seconded by Director Decker and carried unanimously.

Discussion and possible action on WTB grant and loan agreement for Phase 1-A Distribution

Chairman Adamy presented proposed Resolution 2011-07 regarding the Water Trust Board grant and loan agreement for Phase 1-A Distribution, A Resolution authorizing the execution and delivery of a water project fund loan/grant agreement by and between the New Mexico Water Trust Board and the New Mexico Finance Authority (the "Lenders/Grantors") and the Alto Lakes WAter & Sanitation District (The "Borrower/Grantee"), in the amount of $1,800,008, evidencing an obligation of the Borrower/Grantee to utilize the Loan/Grant amount solely for the purpose of financing the costs of rezoning twenty-four percent of the Borrower/Grantee's existing Water Distribution system to meet national standards for household water pressure by installing nine pressure regulation stations, the costs of replacing undersized and substandard distribution lines with eight inch PVC lines and the costs of adding thirty-six fire hydrants, and solely in the manner described in the Loan/Grant Agreement; providing for payment of the loan amount solely from pledged revenues; certifying that the Loan/Grant amount, together with other funds available to the Borrower/Grantee, is sufficient to complete the project; approving the form of and other details concerning the Loan/Grant agreement; ratifying actions heretofore taken; repealing all action inconsistent with this Resolution; and authorizing the taking of other actions in connection with the execution and delivery of the Loan/Grant Agreement.

Director Knorr made a motion to adopt Resolution 2011-07 as presented; duly seconded by Director Decker. The motion to adopt the Resolution, upon being put to a roll call vote, was passed and adopted as follows:

Director Adamy	Aye
Director Parker	Aye
Director Decker	Aye
Director Knorr	Aye
Director Pope	Aye

Discussion and possible action on Emergency Services Letter from Woodwinds RV

Chairman Adamy recapped the 2008 agreement previously made between ALWSD and Woodwinds RV, providing for 120 days of ALWSD emergency water service, with possible extension based on proof of their due diligence toward needed well repairs. Their current letter requests ALWSD temporary emergency water service beginning April 29, 2011. Director Parker made a motion to provide emergency service to Woodwinds RV providing that the District is able to maintain service to its own customers under normal water conditions, and with stipulation that the agreement will be voided if they connect to another water system. The motion was seconded by Director Knorr and carried unanimously.

Discussion and possible action on Preliminary FY 2012 Budget

Manager Edington discussed changes in previously presented budget assumptions to include:

1. Electrical Costs - addition of $2,562 for pass through costs on fuel and debt service
2. Liability Insurance costs will increase due to the addition of coverage the Water Treatment Plant
3. Reserves have increased by $11,000 due to Water Treatment replacement for the full year
4. Pending 2.5% rate increase in revenue

Chairman Adamy reviewed preliminary budgeted Net Income From Operations (NIFO) of $455,000.

Chairman Adamy complimented Manager Edington and Office Manager Brewington for their hard work and presentation on the preliminary budget.

Discussion and possible action on Wastewater Treatment Plant

Chairman Adamy presented an evaluation letter from Souder, Miller & Associates ("SMA"), with recommendations, on potential golf course irrigation system reuse. The two main components for providing a long term solution for disposal of effluent from the wastewater treatment plants includes:

1. Replacing the existing disposal fields with improved fields - Effluent disposal in beds (leach and/or evaporation), or...
2. Replacing the existing disposal fields with wastewater reuse on the golf course and/or the driving range - Effluent disposal via irrigation reuse

Board discussion consensus was to concentrate on wastewater reuse, with a secondary backup plan for field based disposal if reuse does not work out. Manager Edington will set up a meeting with board members and SMA to discuss the parameters of the PER before it is drafted.

Discussion and possible action on Auditor Selection

Chairman Adamy outlined the graded results of each qualified responder to ALWSD's Request for Proposals for FY2011, 2012, 2013 Audits. Chairman Adamy and Directors Knorr and Parker each evaluated and graded the proposals and reviewed the collected recommendations on each agency. The top responders with evaluation grades were:

- Accounting & Consulting Group, LLP 239 Points $15,483 - 15,750 - 16,018 Annual Cost
- Kriegel/Gray/Shaw & Co., P.C. 231 Points $11,240 - 11,240 - 11,240 Annual Cost
- Strickler & Prieto, LLP 234 Points $ 6,526 - 6,690 - 6,856 Annual Cost

Director Knorr made a motion to recommend Strickler & Prieto, LLP to the Office of the State Auditor for ALWSD audit services for FY2011,12,13; seconded by Director Decker, which carried unanimously.

Director Decker made a motion to authorize Board President Adamy to sign a contract with Stricker & Prieto, LLP for FY 2011, 12 and 13 audit services for State Auditor approval. Motion was seconded by Director Parker and carried unanimously.

Signing of Official Documents
Chairman Adamy and Secretary Parker executed Ordinance 2011-07.

Board Comments None

Announcement of next meeting
Chairman Adamy announced the next Regular meeting of the ALW&SD Board will be conducted on May 26, 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 Pope made a motion to adjourn the meeting. The motion was seconded by Director Decker and carried unanimously. Meeting adjourned at 12:40 p.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary