Alto Lakes Water & Sanitation District
Final Meeting Minutes for May 26, 2011

Alto Lakes Water & Sanitation District held a Regular Board Meeting on **Thursday, May 26, 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 April 28, 2011 Regular Meeting
Director Knorr made a motion to accept the minutes of the April 28, 2011 Regular Board Meeting as presented. The motion was seconded by Director Parker 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 Parker 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 $13,014.56.
3. **ACH Payments** Chairman Adamy presented online payments totaling $14,485.62 were made during the month of April, 2011.

Director Knorr made a motion to approve the consent agenda items as presented. Motion was seconded by Director Parker 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 81,053. Gallons produced totaled 16,610,633 gallons in April, and gallons sold totaled 14,742,413 after billing adjustments. Production vs Sold shows losses of 11%, adjusted to 10.5% unaccounted for water after factoring in flushing and billing adjustments. Average gallons sold per meter per day are up about 30% more than estimated, and well levels are dropping, currently at about 80% of normal. The directors advised Manager Edington to give cooperation to Mr. Mike Darr with the USGS who is currently conducting a study, monitoring area wells for influence on surface water, hydrostatic pressure from the mountain, and well draw-down levels; they assigned ALWSD Well #9 as a monitoring well.

Well #E5 - KD Huey Company pulled Well E5 pulled and replaced 200 feet of column pipe which had four holes in it. The downhole electrical wire also had to be pulled and was stolen over the weekend before it could be replaced. Director Knorr made a motion to approve an emergency expenditure for 408 ft. of replacement electrical wire totaling approximately $5,800. Motion was seconded by Director Decker and carried unanimously. Manager Edington was advised to modify driller contract terms in the future holding them financially responsible if theft occurs.

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; it is currently putting out good effluent. Chairman Adamy stressed the importance of TDS records in order to get it under control. Manager Edington will followup on acquiring two Composite Samplers at approximately $2,500 each in order to sample and monitoring the Townhomes during the summer when fully occupied.

Solid waste update The April lease payment from Greentree Solid Waste Authority was received as required. Manager Edington presented solid waste pull statistics for April 2011; there were 14 pulls with 427 cy's of green waste from the Greentree Collection Center, generating $813.23 collected fees. There were 2 pulls with 12.65 tons of Trash, 1 pull with 30 yds cardboard, 3 pulls with 18 yds of paper, no Ash pulls, 1 pull with 3 yds aluminum can, and 1 pull with 438 tons of miscellaneous pulls, with $218.46 Misc. fees collected, and no metal pulls with $39.91 Metal fees collected.

Customer issues Manager Edington reported that he is working on a Water District / Club / Homeowner easement complaint, and will advise findings at the June board meeting.

Personnel update Manager Edington informed the Board that employee Donna Hastey has turned in her letter of resignation, effective July 1, 2011. Bill Rodolph is working part time in the temporary "as need" employee position approved by the board at the last meeting until the vacated permanent field position is filled.

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 Manager Edington obtained "permission to submit" from the Board of Finance, to be forwarded to DFA to tentatively be placed on their June 16th meeting agenda. Culmination of the sale would net approximately $27,000.

Projects report

Distribution A: Final design was submitted on time to NMED Construction Programs Bureau (CPB) and Drinking Water Bureau (DWB) and is under review. CPB has submitted their final comments; once DWB submits final comments it should take one or two days to answer comments and resubmit. Signing deadline of the Closing Doc with NMFA is June 30th which appears to be no problem.

Water Treatment Plant phase I: Edington reported the project is 98% complete. SWCM has not yet provided final closeout documents, and is currently 40 days late, placing it in Liquidated Damages (LD) status. After discussion, Director Decker made a motion for Manager Edington to advise SWCM of a one week deadline for completion or LD penalty will be assessed for the entire late period. The motion was seconded by Director Parker and carried unanimously.

Office Manager's report

Administrative update The current ALW&SD Lien Status Report was reviewed which reflects two lots, owned by the same person, with 2 year delinquent Fire Protection fees; therefore eligible for ALWSD foreclosure. Office Manager Brewington will further research these lots pending foreclosure vs new lien filing decision.

Financial reports Brewington presented and reviewed the April 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

Board Member Reports Director Knorr presented an Annual Report from El Paso Water for review if desired. The report is a comprehensive document with detailed benchmarks, operating procedures, and finances.

Discussion and action on hiring of replacement Billing Clerk

Manager Edington proposed hiring Ms. Veronica King to the Part-time Utility Clerk position being vacated by Donna Hastey. She has previously been interviewed by ALWSD and is now available for the job. Director Pope made a motion to hire Veronica King as presented. Director Decker seconded the motion which carried unanimously.

Discussion and possible action on Wastewater Treatment Plant

After discussion with Director Knorr concerning control of the percolation down of high salinity and evaporation transpiration, Chairman Adamy advised that after further study of the Souder, Miller & Associates evaluation recommendations on potential golf course irrigation system reuse, it is prudent and less expensive to:

- This year - concentrate on getting the effluent TDS down
- Next year - new bed construction after TDS down
- Focus on solving existing problem on driving range only - not the golf course

Manager Edington is working with SMA for further research.

Discussion and possible action on annual CPI Rate Adjustments Resolution

Chairman Adamy presented and reviewed annual CPI adjustments to the Fee Schedule being proposed to go into effect September 1, 2011 of the FY2012 budget cycle. Director Decker made a motion to schedule a public hearing during the ALWSD Regular meeting scheduled on June 23, 2011 on proposed Resolution 2011-08 amending rates tolls and fees for ALWSD, and to schedule publication of required notice. Director Parker seconded the motion which carried unanimously.

Discussion and possible action on Preliminary FY 2012 Operating Budget

Chairman Adamy presented the Preliminary FY 2012 Operating Budget for Board review and discussion. Director Decker made a motion to approve the Preliminary FY 2012 Budget and present it to DFA before June 1st as required.. Director Parker seconded the motion which carried unanimously.

Discussion and possible action on Preliminary FY2012 Capital Budget

Chairman Adamy presented the Preliminary FY2012 Capital Financing Budget to include focusing on capital objectives based on current funding capability and the review of major planned projects within priority funding timeline parameters. Director Decker made a motion to approve the Preliminary Capital Budget as presented, with changes removing the solid waste compactors, and adding in funding for completion of Distribution A and the ongoing PRV Projects. The motion was seconded by Director Pope which carried unanimously.

Discussion and possible action on Water Conditions

Chairman Adamy reviewed water production conditions which determine declaration of restrictions on outdoor watering which is based on predetermined water recharge trigger points. There are currently no enforcement measures built into the irrigation conservation phases to control excessive watering during limited use phases. Director Parker made a motion to create and charge a penalty charge not to exceed 50% of commodity rates during periods of low water supply as set forth in Section 18 "Water Usage Restrictions" of the Ordinance. Director Knorr seconded the motion which carried unanimously.

Director Knorr made a motion to schedule a public hearing during the ALWSD Regular meeting scheduled on June 23, 2011 on proposed Resolution 2011-08 amending rates, tolls and fees for ALWSD, and to schedule publication of required notice (to be filed in conjunction with previously approved CPI Rate Adjustments Resolution 2011-08 and Public Notice). Director Decker seconded the motion which carried unanimously.

Signing of Official Documents

Board Comments None

Announcement of next meeting
Chairman Adamy announced the next Regular meeting of the ALW&SD Board will be conducted on June 23, 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 12:05 p.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary