

Alto Lakes Water & Sanitation District
Final Meeting Minutes for January 26, 2012

Alto Lakes Water & Sanitation District held a Regular Board Meeting on Thursday, January 26, 2012 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. Directors Knorr and Decker were present; Chairman Adamy and Director Parker attended telephonically. Director Pope was absent.

Pledge of Allegiance

Approval of minutes for November 17, 2011 Regular Meeting

Director Knorr made a motion to accept the minutes of the November 17, 2011 Regular Board Meeting as presented. The motion was seconded by Director Parker and carried unanimously.

Approval of minutes for January 17, 2012 Special Meeting

Director Knorr made a motion to accept the minutes of the January 17, 2012 Special Board Meeting as presented. The motion was seconded by Director Decker and carried unanimously.

Approval of agenda

Director Knorr made a motion to approve the Agenda as presented, and to allow the Chairman to address the agenda items in the order that best facilitates the meeting. The motion was seconded by Director Decker and carried unanimously.

Swear in returning Board Member Dan Knorr

Dan Knorr was re-elected to the ALWSD Board of Directors, Position #5, on January 10, 2012. Office Manager Delores Brewington, certified Notary Public, conducted the official swearing in of Director Knorr.

Elect Officers

Director Decker moved to retain the currently sitting officers and nominated the following Directors for Officer Positions as indicated:

- Chairman – Director Adamy
- Vice Chair – Director Knorr
- Secretary – Director Parker
- Treasurer – Director Pope

Director Decker made a motion to elect Officers as nominated. 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 four qualifying leak credit requests of \$2,136.58.
3. **ACH Payments** Online payments totaling \$34,752.60 were made during November and December, 2011.

Director Parker made a motion to approve the Consent Agenda 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 produced in November totaled 6,126,200 gallons, and gallons sold totaled 4,352,724. Production vs Sold difference is 29%; flushing and leaks totaled approximately 10% of the difference, leaving 19% unaccounted for.

Gallons produced in December totaled 4,842,800 gallons, and gallons sold totaled 3,725,300. Production vs Sold is 23%; flushing and leaks totaled approximately 10% of the difference, leaving 13% unaccounted for. There were 56 fewer active accounts in December over the same period last year. Usage per meter is up 60 gallons over last December.

Since the December readings we discovered that the Combination Meter (master meter) was not accurately reading flows into the lake. The combination meter is basically two meters in one; one meter reads low flow (less than 50 gpm), and the other reads high flows (over 50 gpm). The low flow side was not reading correctly and a broken vane was discovered which results in inaccuracies. A new meter has been ordered.

Wastewater system update The system is meeting required treatment goals at this time, but is still in violation of permit due to discharge location.

One of the small blowers at the Wastewater Treatment Plant has broken; the plant superintendent is obtaining replacement cost quotes for blower replacement.

Solid waste update The December and January lease payments from Greentree Solid Waste Authority were received as required. Manager Edington presented solid waste pull statistics for November 2011; there were 13 pulls with 432.5 cy's of green waste from the Greentree Collection Center, generating \$863.10 collected fees. There were 3 pulls with 19.34 tons of Trash, 1 pull with 2.22 yds of cardboard, 2 pulls with .63 yds of paper, 1 pull with .71 yds of Ash, 1 pull with .39 yds of Aluminum Cans, and 0 Misc. pulls with \$295.56 misc. fees collected,, and 0 metal pulls with \$15.75 metal fees collected.

Edington also presented solid waste pull statistics for December 2011; there were 2 pulls with 90 cy's of green waste from the Greentree Collection Center, generating \$59.85 collected fees. There were 3 pulls with 21.12 tons of Trash, 1 pull with 1.08 yds of cardboard, 4 pulls with 2.44 yds of paper, 0 pulls with Ash, 0 pulls with Aluminum Cans, and 1 pull with 5.35 tons of Misc. with \$73.53 misc. fees collected, and 0 metal pulls with \$12.08 metal fees collected.

Customer issues Manager Edington reported a few customer questions about the new pipeline schedule; constructability issues have slowed the project.

Regulatory update None

Personnel update None

Projects report Covered on business agenda

Office Manager's report

Administrative update Office Manager Brewington reviewed customer delinquent status, lien warning notices that have been sent out, and liens that have been filed on delinquent owners' property per ordinance regulation.

Financial reports Brewington presented and reviewed the December 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 None

Presentation of Fiscal Year 2011 Audit Results

Office Manager presented the final audit results as released by the Office of the State Auditor. Strickler and Prieto, LLP, audit firm conducted the FY 2011 audit of ALW&SD during September, 2011. Audit results of both the District's financial records and the Federal Single Audit of the Water Treatment Plant Phase I project were reviewed. Both audits were rated "Unqualified" with no audit findings. Chairman Adamy acknowledged the staff for a job well done.

Director Decker made a motion to accept the audits as presented and to authorize publication. The motion was seconded by Director Knorr and carried unanimously.

Discussion and possible action on Annual Open Meetings Resolution

The directors reviewed the proposed Open Meeting Resolution 2012-05. Director Decker made a motion to approve Open Meeting Resolution 2012-05 as presented and to authorize publication. The motion was seconded by Director Knorr and carried unanimously.

Approve holiday schedule for Solid Waste Collection Center

Chairman Adamy presented a calendar of proposed 2012 days when the Lincoln County Solid Waste Greentree solid waste collection center located in Also would be closed for holidays. Director Knorr made a motion to approve the holiday closure schedule as presented. The motion was seconded by Director Decker and passed unanimously.

The Solid Waste Collection Center will be closed on:

- July 4, 2012
- November 11, 2012
- November 22, 2012
- December 25, 2012
- January 1, 2013

Discussion and possible action on Altstatt lot (lot 144, Unit 4 DPV, on Antler Drive)

Manager Edington presented a letter from Steve and Cathy Altstatt, owners of lot 144 in Deer Park Valley. The lot does not include Alto Lakes Golf & Country Club membership, but it is subject to the Deer Park Valley Paving Assessment. The lot also includes a .1425 acre dedicated well easement for Alto Lakes Water & Sanitation District Well 13. They are attempting to sell this lot which has been deemed unbuildable due to the well easement location. The 200' easement and set-back regulations for potential septic leach-field location were in place for many years prior to the Altstatt's purchase of the lot. They were offering to sell the lot to ALW&SD for \$3,500; with the accrued paving assessment unpaid and purchasing costs, the total cost to ALW&SD would be approximately \$17,930. During discussion the directors considered possible lot uses and value. Covenants and Zoning Codes restrict the use of this lot to residential only; the District would not be able to construct non-residential operating facilities on the lot. The District is required by law to show that the purchase of an asset would have value to company operations; with no capability to construct operational facilities, the lot would have no real value to the District.

Director Decker made a motion to not accept the Altstatt's offer to purchase lot 114 in Deer Park Valley, and to advise them that the District is not interested in acquiring the property. The motion was seconded by Director Knorr and carried unanimously. Manager Edington will advise Mr. and Mrs. Altstatt of the Board's decision.

Discussion and possible action on Valve Replacement Project High Mesa Subdivisions

The Lincoln County Road Department Superintendent has informed ALW&SD that the County will be paving approximately 2.1 in the SE quadrant of the District this coming spring. Field Supervisor Steve Osborn drove the scheduled paving route with the Superintendent, and Steve identified 15 valves in the roadway which need to be replaced prior to the County paving project. Replacing these valves will provide better control of water distribution in this area. Request for quotes on the paving project were sent out to four contractors; only one responded. Jack Johnson Excavating, Inc. submitted a quote of \$24,839.62 plus NMGRT for the replacement of 15 ea. 3" valves to include labor, traffic control, utility locates, permits, valves, tees, sleeves, valve boxes, concrete collars, base course, and hot mix asphalt.

Director Decker made a motion to authorize Jack Johnson Excavating, Inc. to proceed with the valve replacement with billing for materials paid as received. Director Knorr seconded the motion which carried unanimously.

Discussion and possible action on proposed Study for Water Treatment Phase II

Manager Edington presented a proposed Scope of Work for a Brine Concentrate Management Study for desalination process, from Mr. Peter Chan with GHD Engineering. Disposal management of brine concentrate produced as a by-product of the desalination process has become a significant factor in determining process feasibility and cost; brine concentrate can be a significant portion of overall project costs. The concentrate management strategy would be a pre-design blueprint of how to do the job utilizing existing land currently owned by the District. Cost of the Concentrate Management Study would be \$20,000.

Director Knorr made a motion to accept the Concentrate Management Study Proposal as presented and to proceed with the study with funding from the fees currently held in reserve for water treatment upgrades. The motion was seconded by Director Decker and carried unanimously.

Director Knorr made a second motion for Director Knorr to review the contract, and to authorize Manager David Edington to sign and negotiate the contract with GHD for \$20,000. The motion was seconded by Director Decker and carried unanimously.

Discussion and possible action on Distribution A (including change orders)

Chairman Adamy presented a letter from Souder, Miller & Associates (SMA) to FNF Construction, Inc. (FNF) summarizing relocation of a portion of the Phase A water mains into roadways to avoid utility line conflicts which have made construction in the Right Of Way impractical., and reiterating that change orders are the only way the project can be modified without going back to competitive bidding. Potential bid points under discussion include:

- Potholing
- Traffic Control
- Waterline within the Shoulder
- Waterline within the Pavement

Manager Edington advised that a phone conference between SMA and FNF was to be conducted "today", January 26, 2012, to discuss these issues.

Closed session – Pending litigation of water rights in Eagle Creek

Director Decker left the meeting prior to the closed session. Director Knorr made a motion to enter Closed Session to discuss pending litigation of water rights in Eagle Creek. Motion was seconded by Director Parker and carried unanimously.

Chairman Adamy declared the closed session ended at 10:55 a.m. Director Knorr made a motion to end the closed session. Motion was seconded by Director Parker and carried unanimously. Pursuant to the Open Meeting Act 10-15-1, Sub-paragraph H(8), no discussion was conducted except that related to pending litigation of Eagle Creek water rights.

Director Parker made a motion to increase the Balleau Groundwater, Inc. job order by \$4,800 to complete the modeling report. The motion was seconded by Director Knorr and carried unanimously.

Director Parker made a motion to continue using Balleau Groundwater, Inc. for monitoring filings with the Office of the State Engineer and to continue working with us on well spinner tests and such other ad hoc issues that may come up. Director Knorr seconded the motion which carried unanimously.

Signing of Official Documents

Chairman Adamy and Assistant Secretary Brewington signed Resolution 2012-05. Brewington will facilitate required publication of the resolution.

Board Comments None

Announcement of next meeting

Chairman Adamy announced the next Regular meeting of the ALW&SD Board will be conducted on February 23, 2012, 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 Parker and carried unanimously. Meeting adjourned at 11:00 a.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary