Alto Lakes Water & Sanitation District
Final Meeting Minutes June 27, 2013

Alto Lakes Water & Sanitation District held a Regular Board Meeting on **Thursday, June 27, 2013,** in the Conference Room of the ALW&SD Office located at 214 Lake Shore Drive, Alto, NM.

Call to Order Chairman Knorr called the meeting to order at 9:00 AM and Asst. Secretary Brewington conducted roll call. Chairman Knorr and Directors Parker, Pope, and Winans were present.

Pledge of Allegiance

Swearing in of new board member David Winans
Assistant Board Secretary and Notary Brewington conducted the swearing in of new board member David Winans.

Approval of minutes for May 23, 2013 Regular Board Meeting
Director Pope made a motion to accept the minutes of the May 23, 2013 Regular Board Meeting. The motion was seconded by Director Decker and carried unanimously.

Approval of agenda
Director Decker 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 Parker and carried unanimously.

Public Hearing on Resolution 2013-05 for Annual Rate Adjustments
Director Decker made a motion to begin the Open Hearing for discussion of proposed Resolution 2013-05, a resolution amending Rates, Tolls and Fees of the Alto Lakes Water & Sanitation District. The motion was seconded by Director Pope and carried unanimously. Mr. Roy Honeycutt and Mr. James Edwards were in attendance.

Manager Edington reviewed the ALWSD by-law requirement to, at a minimum, review rates annually and to make adjustments if necessary. By-laws require that rates, fees and tolls be adjusted annually to keep pace with inflation based on the April over April CPI. The April 2013 point increase over 2012 equals a CPI increase of 1.06%. Chairman Knorr reiterated that the Directors had previously reviewed and considered a reduction of $1.50 in solid waste monthly fees for Alto Village residents. Chairman Knorr recommended that rates, fees, and tolls be increased by 1.06% with the exception of the Solid Waste Monthly Fee, to be reduced by $1.50 per month as previously proposed.

There were no public comments.

Director Decker made a motion to close the public hearing. The motion was seconded by Director Parker carried unanimously.

Director Decker made a motion to approve Resolution 2013-05 amending the rates, tolls and fees for Alto Lakes Water & Sanitation District as presented. The motion was seconded by Director Pope and passed unanimously based on a 100% roll call vote.

Director Decker made a motion to approve the Notice of Adoption of Resolution 2013-05, and the Notice of Public Hearing for Final Budget at the July meeting, for publication as required. The motion was seconded by Director Pope and carried unanimously.

Open Hearing on Ordinance 2013-03

Director Pope made a motion to begin the Open Hearing for discussion of proposed Ordinance 2013-03. The motion was seconded by Director Decker and carried unanimously. Mr. Roy Honeycutt and Mr. James Edwards were in attendance.

Chairman Knorr presented proposed Ordinance 2013-03 with changes affected in the definition of Forest Waste and Yard Waste upon delivery to the ALW&SD Solid Waste Convenience Station.

Proposed Definitions:

- **YARD WASTE** means grass or weeds from mowing, raked pine needles, clippings and twigs generated from general yard maintenance.
- **FOREST WASTE** means materials generated by tree pruning, dead or live tree removal or land clearing projects, regardless of the size of the individual items.

Director Decker made a motion to close the public hearing on Ordinance 2013-03. The motion was seconded by Director Pope and carried unanimously.

Director Decker made a motion to adopt the proposed definition changes to Ordinance 2013-03 as presented. The motion was seconded by Director Pope and passed unanimously based on a 100% roll call vote.

Director Decker made a motion to approve the Notice of Adoption of Ordinance 2013-03 for publication as required. The motion was seconded by Director Pope and carried unanimously.

Customer Issues

Chairman Knorr introduced Mr. Roy Honeycutt who requested Board consideration of additional credit being added to the amount of his calculated leak credit amount of $88.71. Mr. Honeycutt's total water usage during May was 29,750 gallons due to a sprinkler line leak which has been repaired. He requested consideration for a credit of $100.56 based on his part-time residency and prior monthly usage averages. After Board discussion and consideration, Director Parker made a motion to reject Mr. Honeycutt's request for additional credit, based on Ordinance Regulations and precedence setting. The motion was seconded by Director Decker 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:** There were eight leak credit requests presented totaling $3,166.58.
3. **ACH Payments:** Online payments totaling $26,679.28 were made during May 2013.

Director Parker made a motion to approve the Consent Agenda as presented. Motion was seconded by Director Pope and carried unanimously.

Discussion and possible action on plastics recycling

Chairman Knorr agenda skipped to agenda item "discussion and action on plastics recycling". Mr. James W. Edwards was in attendance for public comments.

Manager Edington presented stats on the total amounts of refuse collected since December 1, 2012 when ALWSD began operation of the solid waste convenience station. Through May, 2013, 252.75 tons were collected, and 121.75 tons (48.2%) have been recycled (.88 ton of which were plastics). Discussion included the logistics of plastic recycling, (separating, compacting and baling, hauling, etc. Mr. Edwards outlined GTSWA's recycling procedures and costs, and recommended the District haul recyclables to GTSWA, and the costs involved. ALW&SD is not permitted to compact and bale on site. After thorough discussion, consensus was to keep working toward recycling solutions.

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 May totaled 19,800,000, and gallons sold totaled 17,800,000. Production vs Sold difference is 10%; flushing and known leaks total 19,000 gallons or 9% adjusted. Average usage, compared to same time last year, with 30 less active accounts, is down about 200 gallons per meter.

Manager Edington reported excess cost of $6,017.31 over the originally estimated cost of $30,000 previously approved by the Board to repair Well #16. Director Decker made a motion to retroactively approve the additional cost of $6,017.31. Motion was seconded by Director Pope and carried unanimously.

Wells are at the lowest point ground water static levels since 2006. Based on projection of production capability of 521 gallons per minute, Edington recommended staying at the "Moderate" conservation stage for July.

Manager Edington reported that in August he will present a list of excess property for possible disposal.

Wastewater system update Manager Edington reported the blockage of three lines going into the wastewater plant which created two spills. The lines have been cut out and replaced, and notice was sent to the NM Environment Department, who approved ALW&SD's remediation plan.

Solid waste update Manager Edington presented solid waste pull statistics by Sierra Contracting for May 2013; there were 6 pulls with 180 cy's of green waste, generating $713.95 in collected fees. There were 2 pulls with 16.23 tons of trash, 3 pulls with 2.25 tons of cardboard, 1 pull with 1.5 tons of paper/plastics, 0 Ash pulls, 0 aluminum can pulls, 1 Misc. pull with 4.95 tons and $318.23 misc. fees collected, and 0 metal pulls.

Approval was obtained from the State for acceptance of mulch, for free disbursement to customers. Mulch containment area will be constructed. Customers will be notified of mulch containment area completion and location with loading requirements and rules.

Customer issues Homeowner on Bobcat Trail believes that there is a water leak; his driveway and front steps have sunk. He has had a contractor dig up his driveway 15x20 ft. hole, costing him $50,000. Edington hired Amec to run geophysical tests and offer an opinion; their report should be completed by next week. Director Decker made a motion to confer with management's decision to hire Amec. Motion was seconded by Director Pope and carried unanimously.

Regulatory update None
Personnel update None
Projects report Edington is working with the county for a permit for the solid waste gate installation

Office Manager's report

Administrative update Office Manager Brewington advised the Board that the server has died, and requested authorization for purchase of a new server, not to exceed $10,000. Director Decker made a motion to authorize purchase of a new server, not to exceed expenditure of $10,000. Motion was seconded by Director Pope and carried unanimously.

Financial reports Due to the above mentioned server crash, the May Financial Reports were not available at the meeting. Brewington will send these reports to the Board as soon as possible.

Regular Business Agenda

Board Member Reports None

Discussion and possible action on Banking Services RFP Submittals
No responses for ALW&SD Banking Services were received. Director Decker made a motion for Office Manager Brewington to contact current provider, City Bank, for input and possible negotiation. Motion was seconded by Director Pope and carried. Director Parker abstained from voting.

Discussion and possible action on Insurance Services RFP Submittals
One proposal was received from High Country Agency for insurance brokerage. Director Decker made a motion to accept High Country Agency's proposal for insurance services as submitted. Motion was seconded by Director Decker and carried unanimously.

Presentation by Parkhill, Smith & Cooper – Asset Management
Chairman Knorr explained that it is time to get an updated ALW&SD Master Plan; the last one was conducted in 2004. Since then, Manager Edington has learned that extra points for Trust Funds may be available to a system with an Asset Management system in place. Mr. Mark Sanchez and Mr. Chris Nance provided an Asset Management presentation, outlining the process by which operation, maintenance and replacement of assets is based on condition and criticality through GIS modeling software apps documentation, at an approximate cost of $50,000.

Discussion and possible action on Engineering Services B&C submittals
Manager Edington advised that Parkhill, Smith & Cooper Engineering had the highest RFP score, and recommended PS&C for contract of water system improvements B&C. Director Parker made a motion to contract with Parkhill, Smith & Cooper for Water System Improvements Distribution B&C. Motion was seconded by Director Pope and carried unanimously.

Discussion and possible action on Distribution A, Close out Documents; Change Order #3 Completion Certification & Docs, Final Pay Application
Manager Edington presented Burn Construction Change Order #3, completion certification and final pay application.

Director Decker made a motion to approve Change Order #3. Motion was seconded by Director Pope and carried unanimously.

Director Pope made a motion to approve "Board Certification of Completion. Motion was seconded by Director Decker and carried unanimously.

Director Decker made a motion to authorize final payment to Burn Construction. Motion was seconded by Director Pope and carried unanimously.

Closed Session to include: Discussion of pending or threatened legal action
Director Parker made a motion to enter into closed session for discussion of threatened or pending litigation. The motion was seconded by Director Parker and carried unanimously.

Director Decker made a motion to end the closed session. Motion was seconded by Director Parker and carried unanimously. Chairman Knorr declared the closed session ended at 12:35 p.m.

No board action was taken during closed session, and pursuant to the Open Meeting Act 10-15-1, Sub-paragraph H(8), no discussion was conducted except that related to threatened or pending litigation.

Signing of Official Documents

Board Comments None

Announcement of next meeting
The next regularly scheduled ALWSD Board Meeting will be held on July 25, 2013, 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 Winans made a motion to adjourn the meeting. The motion was seconded by Director Parker and carried unanimously. Meeting adjourned at 12:46 p.m.

Submitted by:

Delores Brewington
District Board Assistant Secretary