

Pinos Altos Mutual Domestic Water Consumer Association

**Regular Board Meeting
Wednesday November 17, 2021
Pinos Altos Fire Station**

Meeting was called to order at 7:00 pm by Tom Gedgaudas

Board members in attendance were: Tom Gedgaudas, President; Becky Dinwiddie, Treasurer; Gary Geisler, Secretary and Gabe Preusch, Member at Large.

April Mathews, Bookkeeper and Linda Davilla, Meter Reader were also in attendance.

Public Input sign up was closed.

A quorum was proven.

Tom asked to move the review of the rate schedule to after the discussion of the proposed budget. The change was approved unanimously.

Meeting minutes from the September 15, 2021 regular board meeting were approved.

Non-Mandated Business: Public Input

No Public Input.

New Business:

Discussion and Approval of Treasurer's Proposed Budget for 2022.

Becky asked to go into the closed session to discuss payroll before discussing the budget. The board leave the agenda as it is and start with reviewing the budget. Becky presented her proposed budget. The anticipated expense for legal expenses plus the insurance company's reimbursement was an unknown so Becky put in \$5,000 under income for our maximum reimbursement and \$5,000 under expenses for the potential charges. They should wash each other. The board then discussed the number of gallons lost each month. The last three months we have lost 15-19%, over 100,000 gallons a month. Some of this might be the large leak on Main street but over the past three years we have been averaging around 15% lost water each month. Year-To-Date we have billed \$48,957 for water and paid the City \$48,213 for the water we received. With gross receipt tax of \$3,326 we are already losing money before we pay any expenses. YTD we are looking at a loss of \$16,426 with end of the year totals looking at a loss of \$17,461. With increases in expenses next year, mainly in maintenance costs, payroll and office equipment (need new computer) the budget looks like a \$20,595 projected loss. The board recognizes that we must increase water rates to at least break even. Becky pointed out we have only raised water rates twice since 2016. Tom brought up a specific section in the MOA that has our rate increases tied to the city rate increases. After a long discussion, it was decided that Gary would reach out to the City for information concerning this section of the MOA. April and Becky would also research previous city water rate increases and our history of rate increases. It was decided that the board would address the topic of water rate increases at the January Meeting after getting more information. After reviewing the line items in the budget, it was decided to raise the budget for maintenance to \$7,000.

Some of our water lines are very old and based on this year's expenses, we expect to see more leaks and repairs necessary. Also, Becky's proposed amount for postage was reduced by \$200 to \$1500 due to April ordering extra supplies. Those were the only line items that were adjusted and changed from the previous year's budget. The Gross Wages and the Payroll Taxes will be adjusted after the closed session to determine payroll for the upcoming year. Becky will rework the budget to adjust those line items and the payroll changes and present the final budget at the January Meeting.

The board agreed to move the closed session to the end of the meeting so April and Linda won't have to wait outside in the cold as we discuss their pay for the coming year. The board approved this unanimously.

Initial Discussion on the Determination of Easements for Existing Water Mains

There was a discussion on how to move forward to determine if easements do exist and how many easements are on private property. Tom was going to reach out to the city and the county clerk's office to see what information they have from the mid 1980's when the water lines were run. It was suggested we get a survey company and/or title company to see where the water lines infringe on private property but that would be extremely costly. Gabe suggested we send a letter out to association members who are located close to or on the water mains to determine if the water mains cross or infringe on their property and then get surveys and easements recorded. The board agreed this is the best way to address this concern.

Unfinished Business from Prior Meeting:

Vote on Approval of Records Retention Schedule

The board approved the Records Retention Schedule unanimously. Becky will e mail the final copy to all board members for them to put into their officer's manual.

President's Report:

Tom gave an update on the ongoing lawsuit filed by Mr. Johnson. There was a hearing in October on a Compel Discovery motion by Mr. Johnson. Mr. Johnson felt that the board didn't correctly answer his interrogatory questions. The judge review each of the items in the discovery and determined only two of his requests for discoveries were valid. Attorney is working on responding. Next step is to set a trial date early in January. The judge wants this lawsuit to move forward to completion. Tom then brought up the schedule of board responsibilities. After a discussion it was determined that each board member, and bookkeeper would look at the schedule and make adjustments or corrections. The board will review the adjustments and changes at our next meeting. Tom also brought up the sanitary survey we need to have with Aaron Beckworth from the NMED. There will be a conference call the week of November 29th and the follow week a physical inspection of our system. Gary, Becky, Tom & Allan will be on the conference call. Allan and Tom will accompany Aaron during the inspection.

Bookkeeper's Report:

April recapped the past two months. We have a couple security deposits to refund, had two late notices but both were paid up. She emailed all financial to the board members before the meeting. April brought up that she has received many requests for on line payment. April explained that our system doesn't have the security safeguards built in to allow us to take on line payments. We would

need to totally change our system to the tune of \$15,000 - \$20,000. Board decided to keep payment options as they are now.

Treasurer's Report:

Becky's said we are solvent and during the budget review session we reviewed the YTD budget comparisons. Becky has already been e mailed the blank W-2's and 1099's for filing in January.

Secretary's Report:

Nothing to report

Certified Water Operator's Report:

As we haven't been receiving any reports from our CWO, it was discussed that we request a monthly update from the CWO. Also, there doesn't appear to be any formal contract with our CWO and Tom was going to look into it.

Vice President's Report:

Allan wasn't present but Tom updated the board on the major leak on Main Street, which was repaired. There is also a leak on Norton Street, but it is very slow and should be fixed this week by J&S.

Becky made a motion to enter into a closed session to discuss personnel payroll for 2022. The motion to go into closed session was approved by each board member in a roll call vote. Open meeting was adjourned at 8:45 pm.

Board exited the closed session and the open meeting was called to order at 9:10 pm. Tom explained that the only matters discussed in the closed session were limited to employee payroll issues. In a roll call vote, each board member affirmed that payroll was the only topic discussed during the closed session.

Becky made a motion to adjust the 2022 budget payroll line to \$16,000 and the payroll taxes line to \$1250. Those changes were passed unanimously. Becky will make those adjustments, along with the two discussed earlier, to the 2022 budget and present to the board in January.

Next meeting will be January 19, 2022 at 7:00 pm in the Fire House.

Meeting was adjourned at 9:13 pm.

**Minutes prepared by Gary Geisler on November 20, 2021. E Mailed to board on November 21, 2021
Draft minutes posted to website for public viewing by November 27, 2021.**