

# Pinos Altos Mutual Domestic Water Consumers Association

## Board of Directors Meeting Minutes-DRAFT 2

|                    |                       |
|--------------------|-----------------------|
| <b>Date</b>        | September 16, 2026    |
| <b>Location</b>    | Pinos Altos Firehouse |
| <b>Adjournment</b> | 9:40 p.m.             |

### Attendance and Quorum

All five directors were present: Tom Gedgaudas, President; Gabriel (Gabe) Sanchez Preusch, Vice President; Paul Raleigh, Treasurer; B. Michael (Mike) Sheffer, Secretary; and Bruce Fahrlender, Director; April Matthews, Office Manager and Bookkeeper; and Linda Davila, Meter Reader, also participated. With all five directors present, President Gedgaudas declared a quorum and called the meeting to order following the annual membership meeting.

### Public Input

A public-input sign-up sheet had been available throughout the annual membership meeting. No one had signed up to speak. The chair closed public input without comment.

### Approval of Agenda

**Motion:** Approve the agenda as presented.

**Vote:** Passed unanimously, 5-0.

### Approval of Minutes From July 8 Regular Meeting & August 13 Special Meeting

The Board considered the minutes of the July 8 and August 13 meetings. Approval of the July minutes had been deferred at the August meeting so that both sets could be considered together. No corrections were offered.

**Motion:** Approve the July 8 and August 13 meeting minutes as presented.

**Vote:** Passed unanimously, 5-0.

### Non-Mandated Business: Public Input

### Election of Officers

The Board discussed the responsibilities of the vice president, including coordinating leak and repair response with staff and J&S Plumbing, verifying whether reported leaks are on the association or member side of a meter, and helping ensure timely responses to New Mexico 811 locate requests. The Board noted that emergency locates generally require action within 24 hours and routine locates within approximately 72 hours, with potential penalties for noncompliance.

Gabriel Sanchez Preusch stated that he could not continue devoting the time required to the vice presidency but would remain on the Board and assist with transition and training. Bruce Fahrlender agreed to serve as vice president. The existing president, treasurer, and secretary agreed to continue in their offices, and Gabriel agreed to serve as director at large.

**Motion:** Elect the following slate of officers: Tom Gedgaudas, President; Bruce Fahrlander, Vice President; Paul Raleigh, Treasurer; B. Michael Sheffer, Secretary; and Gabriel Sanchez Preusch, Director at Large.

**Vote:** Passed unanimously, 5-0.

- Gabriel Sanchez Preusch and other experienced personnel will help orient Bruce Fahrlander to repair coordination, meter-side verification, New Mexico 811 locates, and contractor oversight.

## Unfinished Business from Prior Meetings

### Preliminary Engineering Report (PER) and Planning Funding

Paul Raleigh reported that the New Mexico Finance Authority had not yet approved funding for the preliminary engineering report. Stantec personnel were awaiting the decision. Paul had contacted Stantec and NMFA, including Angela Quintana, but the approval was still pending. The Board understood that the PER itself is expected to be funded at no cost to the association, while future construction grants and loans will be separate funding matters and may have different caps or matching requirements.

Stantec continued to estimate approximately 12 months for completion after authorization. Board members noted that prompt delivery of association records, field knowledge, and access could shorten the schedule. The Board also reiterated that any system map should be delivered in a useful, editable geographic-information-system format, preferably ArcGIS-compatible, rather than only as a static PDF. Accurate locations of meters, mains, valves, and service lines remain important to operations and future leak work.

The Board discussed its written concerns previously sent to Stantec and NMFA after the special meeting. Those concerns included the proposed cost and scope, editable mapping, use of leak-detection results, valve and meter information, and the need for the PER to identify the most cost-effective combination of repairs or replacement rather than assuming full system replacement. Some members favored proceeding without delay while adding refinements through discussion or amendments; others emphasized receiving a direct response before the work advances too far. No change to the pending submission was approved at this meeting.

- Paul Raleigh will continue checking the NMFA funding decision and will seek a substantive response from Stantec concerning the Board's written recommendations and how they can be addressed without unnecessarily delaying the process.
- The Board will ensure that editable GIS mapping, leak-detection information, meters, valves, and alternatives analysis are discussed at the project kickoff and documented in the final scope or subsequent authorized amendments.

## New Business

### Approval of New Memberships

The Board reviewed two membership matters. The first involved transfer of the property commonly referred to during the meeting as the Fort, account 78. The former owner had left an unpaid final balance and had provided written communication stating that the new occupants would pay it. The new owners had otherwise submitted the transfer documents and required fees. The Board discussed the distinction between the higher transfer fee and an outstanding usage balance. It concluded that the transfer fee compensates the association for additional administrative work and does not extinguish a prior unpaid water balance. The membership transfer will remain incomplete until the account balance is paid.

**Motion:** Table approval of the account 78 membership transfer until the outstanding balance is paid in full.

**Vote:** Passed unanimously, 5-0.

- April Matthews will notify the applicants for account 78 of the outstanding balance, provide the written statement assigning payment responsibility, and explain that membership approval remains pending until payment is received.

The second matter involved account 149. An existing member converted a previously paid additional connection to a separately metered account. The meter had been purchased under the association's original arrangements, and the member had a long history of timely payments. The Board recognized that

the transaction also raised broader policy questions addressed later in the meeting, but agreed that the account itself should be approved.

**Motion:** Approve membership for account 149.

**Vote:** Passed unanimously, 5-0.

### **Silver City Water Rate Increase/Potential P A Rate Increase**

The Town of Silver City increased wholesale water charges by 3.6 percent. Based on August usage, the increase was estimated to add approximately \$205 per month to association costs, although the amount will vary with purchased volume. The Board also reviewed continuing unbilled water loss of approximately 29 percent, estimated at roughly \$1,300 to \$1,500 per month, and lower recorded member consumption.

The Board considered several possible responses: increasing the monthly administrative fee, increasing usage rates, creating a separate water-loss charge, or combining approaches. A \$10 increase in the monthly administrative fee was estimated to produce approximately \$1,400 per month. Several participants preferred placing more of the burden on usage rates so that members who consume more water would pay more, while others noted that system losses and fixed operating costs are shared association responsibilities. The Board also discussed whether aging meters may under-register consumption and whether repeated main and service-line failures, system draining during repairs, and limited isolation valves are contributing to unbilled water.

The Board determined that a full rate analysis should be prepared before selecting a structure. April Matthews advised that a rate adopted at the November meeting could not be implemented until January because advance billing notice and system changes require approximately two billing cycles.

**Motion:** Table the rate-adjustment decision until the November meeting so that supporting calculations and options can be reviewed.

**Vote:** Passed unanimously, 5-0.

- Before the November meeting, prepare comparisons showing the revenue and member impacts of administrative-fee increases, usage-rate increases by tier, and a combined approach. Include the Silver City increase, current water-loss cost, zero-usage accounts, and the January implementation schedule.

### **Develop Policy on When Paid Extra Connection Converts to New Meter**

The Board discussed how to treat a grandfathered property with multiple dwellings on one meter when the member elects to create a separate metered account. The discussion distinguished current installation and right-to-connect charges from the separate question of meters or connection rights purchased under early association practices.

The emerging policy direction was that conversion to a new metered account should ordinarily require payment of all current right-to-connect, meter, and installation costs. A current member in good standing may be eligible to have the additional security deposit waived because the member has already established a satisfactory payment history. The Board agreed that the rule must be written clearly before adoption so that the office manager is not required to interpret inconsistent historical practices.

- Tom Gedgaudas will draft proposed operating-policy language for circulation before the November meeting. The draft will address current connection and installation charges and define when an existing member in good standing may receive a security-deposit waiver.

The matter was tabled to the November meeting pending written policy language.

### **Discussion & Potential Policy on Meters Prepaid by Members but Not Yet Installed**

April Matthews estimated that approximately 15 prepaid but uninstalled meters or connection rights may remain in association records. Under the original system-development arrangements, members were encouraged to purchase inexpensive meters so that the project would have enough committed connections. In some cases, the payment apparently included both the meter and the right to connect; in others, the records may not be clear. Some affected accounts have paid monthly administrative charges for many years without using water.

Account 149 illustrated the present financial exposure. The member's historical receipt supported a previously purchased connection, but installing it now will require the association to pay Silver City the current connection charge of \$2,300 (more if Silver City raises the fee in 2027). The Board agreed that account 149 would be honored, but expressed concern that repeatedly absorbing current charges for other historical purchases could create a substantial liability.

The Board discussed a future resolution requiring holders of verified prepaid rights to complete installation by a fixed deadline, tentatively December 31, 2027. After that date, any unexercised right could expire, potentially with return or credit of the documented original payment. The Board also discussed requiring each installation to comply with current standards, including a separate service line to the main rather than teeing from another service line. No final deadline, refund provision, or legal wording was adopted.

- April Matthews will compile, to the extent records allow, a detailed list of accounts with possible prepaid but uninstalled meters or connection rights, including receipts, amounts paid, ownership history, and whether administrative fees have been paid.
- Tom Gedgaudas will prepare a draft resolution for the November meeting addressing verification, notice, installation standards, a final installation deadline, and treatment of documented original payments.
- The Board will research how comparable utilities or cooperatives resolved historical prepaid connection rights before adopting the resolution.

The matter was tabled to the November meeting pending the account inventory and draft resolution.

### **Accurate Billings When Used Meters are Installed**

The Board reviewed billing errors that can occur when a nonfunctioning meter is replaced with a used meter and the office does not receive both the final reading from the removed meter and the starting reading from the replacement. Missing readings can distort an individual bill and the association's calculated water loss. The association currently uses available used meters for some replacements because its newer meters do not fit the existing risers and meter settings; new meters and risers are used for appropriate new installations.

Bruce Fahlender will now have primary responsibility for repair coordination and meter changes. The Board agreed that every meter replacement must be documented immediately with the account number, removed meter identification and final reading, replacement meter identification and starting reading, replacement date, and person performing the work. Those details must be provided promptly to April Matthews and Linda Davila so both billing and field records remain consistent.

- Bruce Fahlender will record and transmit complete old-meter and replacement-meter information for every meter change. April Matthews will update all required billing fields, and Linda Davila will use the revised starting reading during the next meter cycle.

## **Reports**

**Board members had access to the regular reports online. No additional questions were raised during the meeting, except as noted below.**

### **Secretary**

#### **ASTERRA Leak Detection**

B. Michael Sheffer reported that ASTERRA expected the satellite leak-detection program could begin perhaps before the end of the calendar year, subject to assembling a sufficient number of participating customers in the satellite tasking area. April Matthews had provided contacts for other water associations to help ASTERRA reach that critical mass. Satellite indications will require on-the-ground follow up and refinements.

- **Mike will** continue coordinating with ASTERRA to identify when leak identification can begin and finish.

## Next Meeting

The next regular Board meeting was confirmed for November 18, 2026, at 6:00 p.m. at the Pinos Altos Firehouse.

## Adjournment

**Motion:** Adjourn the meeting at 9:40 p.m.

**Vote:** Passed unanimously, 5-0.

## Action Items

| Subject                       | Responsible                               | Required action                                                                                      | Timing                  |
|-------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------|
| Repair and locate transition  | Sanchez Preusch and experienced personnel | Orient Bruce to repairs, leak-side verification, New Mexico 811 locates, and contractor oversight.   | Ongoing                 |
| PER funding and scope         | Raleigh                                   | Check NMFA approval and obtain Stantec's response to the Board's written concerns.                   | Before next meeting     |
| Account 78                    | Matthews                                  | Notify applicants of balance and payment condition; retain transfer as pending.                      | Promptly                |
| Rate analysis                 | Raleigh, Gedgaudas, and Matthews          | Model administrative-fee, usage-rate, and combined options, including January implementation timing. | November meeting        |
| Additional-connection policy  | Gedgaudas                                 | Draft policy language on current charges and security-deposit waiver for members in good standing.   | Before November meeting |
| Historical prepaid rights     | Matthews                                  | Compile supported account list with receipts, amounts, history, and fees paid.                       | As records permit       |
| Historical prepaid resolution | Gedgaudas and Board                       | Draft resolution and research comparable utility treatment.                                          | November meeting        |
| Meter replacements            | Fahlender, Matthews, and Davila           | Record final and starting readings and update field and billing records for every replacement.       | Each replacement        |
| ASTERRA                       | Sheffer and Matthews                      | Continue coordination and report confirmed scheduling.                                               | When available          |

## Certification

These minutes are submitted for approval by the Board of Directors at its next meeting.

Respectfully submitted,

**B. Michael Sheffer, Secretary**