

BRAZOS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, Inc.

2010 Annual Newsletter

! PLEASE READ ENTIRE LETTER !

You are invited to attend the annual meeting of the Brazos Mutual Domestic Water Consumers Association on **Sunday May 30, 2010 at 1:00 p.m. at the Brazos Volunteer Fire Station.**

From May 2009 to May 2010 the Brazos Mutual Domestic Water Consumers Association (BMDWCA) Board of Directors (BOD) has continued its efforts to maintain and operate the water system, to ensure that every member has an uninterrupted supply of potable water and to operate in an improved business-like manner. Both the physical state of the water system and the financial/record keeping associated with the system continues to improve. Details of these efforts are discussed within the body of this letter. A quick summary of the efforts of the BOD is listed below:

Water System Performance

- General description
- New well
- Frozen water Line on upper Falls Creek Rd.
- Leak detection
- Water turn-on/off issues/policy
- Fire hydrant testing/water system flush
- Locating/isolating the old water system piping interconnections

Financial Summary

- Assets
- Loans
- Monthly expenses
- New well expenses
- Budget performance
- Reserves
- Late payment/billing actions
- Assessment installment

Operating Processes and Procedures

- Election of new BOD members
- Support staff
- Possible Rules and Regulations/ByLaws changes
- Business address/banking
- Website
- E-mail addresses

We are a small water system with limited water, personnel and financial resources. The BOD asks you to continue to practice water conservation in common-sense ways. The BOD also asks you to participate in your water system by attending meetings, suggesting topics for improvements, participating in the various work functions as they arrive—and we greatly encourage members to run for election to the BOD. **This is your water system!** It enhances the enjoyment and value of your property in the Brazos.

As required by the Bylaws, the BOD elected new officers after last year's annual meeting. The current Board is working together in a cooperative way to keep your water system operating properly. The following are the current BOD:

Name	Position	Term expires
Tom Petersen	President	May 2012
Michael Valdez, MD	Vice-President	May 2011
Deej Banister	Secretary	May 2012
Rubel Martinez	Treasurer	May 2010
Ron Stafford	BOD*	May 2011
Rex Sewell	BOD**	May 2010
Clay Kilmer	Nominated	May 2010
Irv Lindemuth	BOD	May 2010
Charlie Lawrence	BOD	May 2011

* Certified water operator

** Trained water operator

We would like to emphasize to everyone that the BOD voluntarily donate their personal time to manage the resources that provide you with a usable water supply. We encourage you to contact any of the Directors with any issue(s) or concern(s) of your water system.

We continue to have three (3) paid staff members to help with the operation of the system. They are doing an excellent job.

Name	Position
Levi Sandoval	Maintenance Operator (under contract)
Gretchen Denman	Bookkeeper
Nick Loftis	Tax Accountant

DETAILS OF THE CURRENT STATUS OF THE BMDWCA **Water System Performance**

General Description:

We continue to obtain our water from three sources: Two (2) wells (referred to as Well #1 and Well #3) and a surface-spring water collection (referred to as the Gallery). In addition the new well (Well #1a) is about ready to come on line. During the late summer months, the spring diminishes and unless we have significant rain, the Gallery is not productive. In the winter months, the Gallery freezes and all of our water comes from the two (2) wells. Levi Sandoval continues to ensure that appropriate levels of chlorine and required filtration are introduced into the system at all collection points. We presently store water in two (2) tanks, which hold a total of 92,000 gallons. When the new well is on line, we anticipate that the gallery will only be used if necessary.

Well #1 and Well #3 are essentially producing the quantities that they were last year for a total output of approximately 3,706 gallons per day. When the new well comes fully on line, Well #1 will be only be used as a backup when required.

We were fortunate in 2009 to have sufficient rain that kept the Gallery running longer than normal and with professional water management from Levi Sandoval, we were able to refill the tanks in order to

have adequate supply on the weekends. Based on the average household consumption of 80-120 gallons per day per person, our peak daily consumption continues to exceed the daily well production capability from Well #1 and #3. Fortunately, we have been able to recover during the week from high weekend consumption.

New Well:

The new well is close to being ready for full hook up to our system. It has all the piping and plumbing, electrical connections, and pump installed. These budgeted costs came to about \$29,000, just slightly more than was estimated. We have had the water tested through the State of New Mexico and it has been approved for use. It will require flushing out the sediment from the drilling process. There is an issue with the pump operation that is being worked. The production is estimated to be 10 gallons per minute or better. This will allow our system to withstand the variability of drought and winter conditions and provide a more reliable water system for you.

Frozen Water Line on Upper Falls Creek Road:

This last winter we had a serious frozen water line on the upper Falls Creek Rd. that affected about six (6) cabins. It was dug up and repaired in the middle of winter. This line was one of the old galvanized lines that were not replaced during the major rebuild of the system in 1990. We hope to replace the line during the upcoming summer. We know there are other sections of galvanized line remaining. These kinds of repairs and other upgrades to our system are part of the constant maintenance of our system.

Leak Detection:

Last fall Levi Sandoval and Bidal Candelaria, backup water operator, performed a leak check of our system. It showed no significant leaks and reassured us that the water in the piping system was not being wasted. We will continue to use this activity in the upcoming years.

Water Turn-On/Off issues/Policy:

We had several water turn-on/off issues this past year due to cabin site leaks, delinquent fees, etc. If you have a cut-off issue at the meter, you will need to contact a BOD member to have your water turned on once the cut-off issue is resolved. The BOD asks you to contact us a few days prior to your arrival in the Brazos to make sure a member of the BOD is available. We will not turn on water without the owner(s) being at their cabin. This is to protect the property owner(s) and the water system from leak damage. This last spring, we had a cabin turned on by the BOD. The cabin had not been properly winterized—and due to frozen lines had severe plumbing problems. If the water had been turned on without the property owner present, extensive damage to the cabin's interior would have occurred. Therefore, it is the policy of the BOD that water will not—repeat, will not—be turned on without owner(s) being present to verify that the cabin does not have a leak issue. Also, the BOD will not turn water on after dark—this is a safety issue. **Remember—it is a Federal offense to cut a lock applied by the BOD!**

The BOD strongly encourages property owners to turn off the water to property that is likely to be unused over the winter. This should be done in an attempt to prevent possible extensive water damage should a cabin not be correctly winterized. The meter valve should not be the only valve to control water to your cabin; you must have another functional stop-and-waste type valve on your property. The BOD can recommend a valve, if needed. Our website www.brazoswaterinc.com has contact information available for BOD members, including the phone numbers of those with phones in the Brazos Canyon.

Fire Hydrant Testing/Water System Flush:

Every year the Volunteer Fire Department and the BMDWCA Maintenance Operator team-up to flush the water lines and test the fire hydrants. In prior years, testing the water resulted in discoloration due to the mineral sediments collecting over the year. We recommend that you gather drinking water for the day of testing. It is also recommended that you refrain from washing clothes during this period. As always, if you have any questions, do not hesitate to contact anyone on the BOD. The annual flushing of the water lines has not been scheduled. When the date is determined, the BOD will notify you on our website, through our e-mail distribution and on the bulletin board across from the Cliffview Restaurant.

Locating/Isolating the Old Water System Piping Interconnections:

The old water distribution system was not totally isolated/disconnected from the present distribution system. This continues to be a concern for the BMDWCA. This year we will try to discover the possible interconnections and isolate them. Reserve funds have been and will continue to be set aside for these efforts. We will increase our efforts this year to resolve this serious issue.

Financial Summary

Assets:

The BMDWCA has the following financial assets as of March 31, 2010:

Checking Account	\$ 49,319.40
Citigroup Smith Barney	<u>62,039.26</u>
Total Checking and Smith Barney	\$111,358.66

The expected income for 2010-2011 will be approximately \$63,855.00:

Assessments	\$ 3,310.00
Non-User Fees	2,310.00
User Fees	57,190.00
Commercial	750.00
Interest	295.00

Loans:

BMDWCA has three (3) loans to pay off:

<u>Loans</u>	<u>Annual Payment Loan</u>	<u>Balance</u>	<u>Pay Off</u>
1	\$15,068.17	\$ 28,832.51	2012
2	5,898.33	58,712.00	2021
3	<u>1,684.91</u>	<u>21,163.10</u>	2025
Total	\$22,651.41	\$108,707.61	

Monthly Expenses:

Not including the loan payments, the average monthly expenses are approximately \$2000 for electrical power, insurance and other operating expenses. If we include the loan payments, our monthly operating expenses are approximately \$4000.

Budget Performance:

Ron Stafford has established a budget for the BMDWCA. The budget has been projected one (1) year.

Reserves:

Reserves are being set aside for pump and well parts failure, inappropriate PVC replacement, disconnection of old lines, replacement of aging lines and Uranium/Arsenic removal.

Late Payment/Billing Actions:

Billing, dated April 15, 2010, should have been received by mail. Fees for users remain at \$430 this year. They are due by June 1, 2010 or late fees will be applied. For most of you the \$100 additional assessment was fulfilled last year.

Additional fees may be included in your annual bill. A great deal of time and effort has gone into collecting delinquent annual dues and fees this past year. This involved writing and sending registered letters along with other activities. The BOD in conjunction with our bookkeeper has been diligent in resolving these fees, and they have been properly researched. If there is a question about these fees, contact any of the BOD. The vast majority of the membership pays promptly—**THANK YOU!** It is not fair to the prompt-paying members to carry the late or non-paying members. Therefore, the BOD is being aggressive in following the policies in the Rules and Regulations and Bylaws to either receive payment or to pursue revoking the non-paying member’s membership in the BMDWCA.

The BOD is considering the following actions:

1. The Board will make sure that all accounts delinquent more than 90 days are locked out.
2. The Board will send a letter telling member(s) to contact the Board within 90 days to arrange for a payment plan.
3. If item 2 is not successful, the member(s) will be turned over to a collection agency.
4. Once in collection, add collection fees to amount owed. After three (3) years in arrears, the membership will be revoked according to Section IX.3 of the Bylaws. If the member(s) want to rejoin, they will have to apply as a new member(s) at the cost of \$6000.

It is the desire of the BOD to have all members in good standing receive water and have the value of their property enhanced with a water system membership.

Operating Processes and Procedures

Election of New BOD Members:

This year we need to elect four (4) members for the BOD—three (3) for 3-year terms and one (1) for a 2-year term. The people listed below have agreed to run for re-election:

Present BOD Member	Position	End of Next Term
Clay Kilmer	2010	May 2012
Irv Lindemuth	BOD	May 2013
Rubel Martinez	Treasurer	May 2013
Rex Sewell	BOD	May 2013

Rules and Regulations Changes:

The BOD continues to review the Rules and Regulations and ByLaws. Any changes we make will be posted on the website for your review.

Business Address/Banking:

The business address is a Chama address, which makes it easier to conduct business where the Association is located:

BMDWCA
HC 75 Box 178
Chama, NM 87520

Our banking is with Community Bank, which has offices in Chama, Espanola, Santa Fe, Los Alamos and Albuquerque. This allows us to access our assets and conduct business from Chama and Albuquerque. Our investment accounts are with Citigroup Smith Barney in Albuquerque.

BMDWCA Website:

The BMDWCA website has important information for the entire membership. Through the website you can access topics of general information and frequently asked questions. The home page has a “news flash” section that captures immediate information. Other drop-down menus route you to contact information, monthly meeting schedules, meeting minutes and financial reports. We strive to provide efficient and effective communication to the members.

Web Site: www.brazoswaterinc.com

E-mail Addresses:

We are asking the members to supply e-mail addresses. This will allow us to send out important notices about the BMDWCA and urgent bulletins. We will have a sign-up sheet at the annual meeting. If you will not be at the annual meeting, please send an e-mail message to irvl@att.net to be added to our list.

Thank you,



Tom Petersen
President

On behalf of the Brazos Mutual Domestic Water Consumers Association, Inc.

Please remember the annual meeting!!!!

Brazos Volunteer Fire Station

Sunday May 30, 2010

1:00 pm