

BRAZOS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, Inc.

2011 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 29, 2011 at 1:00 p.m. at the Brazos Canyon Volunteer Fire Department.**

The Brazos Mutual Domestic Water Consumers Association (BMDWCA) Board of Directors (BOD) continues 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:

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- Locating/isolating the old water system piping interconnections

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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!** Your participation 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. Our website

www.brazoswaterinc.com has contact information available for BOD members, including the phone numbers of those with phones in the Brazos Canyon. 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 2013
Ron Stafford	BOD*	May 2011
Rex Sewell	BOD**	May 2013
Clay Kilmer	BOD	May 2012
Irv Lindemuth	BOD	May 2013
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 four (4) sources: Three (3) wells (referred to as Well #1, Well #1a and Well #3) and a surface-spring water collection (referred to as the Gallery). The new well, Well #1a, has been on line and producing about 10 gallons per minute consistently. Well #1 is our standby well. The gallery is used only in emergency situations. 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 that hold a total of 92,000 gallons.

Well #1a and Well #3 are essentially producing the quantities that they were last year for a total output in excess of 4,000 gallons per day.

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 #1a and #3. Fortunately, we have been able to recover during the week from high weekend consumption.

New Well:

We anticipate the new well (Well #1a) to keep our system up and reliable. It has all the piping and plumbing, electrical connections and pump installed. All expenses associated with this new well are complete. The new well will allow our system to withstand the variability of drought and winter conditions.

Frozen Water Lines:

There have been major infrastructure leaks on Falls Creek Road this year either from seismic moving or line hammering. The major expense for the water system was the replacement of old galvanized pipe. These kinds of repairs and other upgrades to our system are part of the constant maintenance of our infrastructure. There are other sections of galvanized line remaining to be replaced, as well as inadequate PVC lines.

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. A couple of years ago, 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

Fire Hydrant Testing/Water System Flush:

Every year the Brazos Canyon 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.

Cleaning the Tanks:

We are contracting to clean our storage tanks this year of sediment that has accumulated. This is necessary every ten years as required by the State of New Mexico.

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

The BOD decided to move the investments to Fidelity Investments in a conservative investment portfolio. The goal is to acquire some financial gain and not put the principle at risk.

Assets:

The BMDWCA has the following financial assets as of March 31, 2011:

Checking Account Community Bank	\$ 27,925.50
Checking Account Fidelity Investments	\$ 51,948.91
Investments Fidelity Investments	<u>\$ 10,176.19</u>
Total Checking and Investments	\$ 90,050.60

The expected income for 2011-2012 will be approximately \$60,885.00:

Assessments	\$ 900.00
Non-User Fees	2,200.00
User Fees	56,760.00
Commercial	750.00
Interest	275.00

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	\$14,629.32	\$ 14,629.32	2012
2	5,898.33	54,575.03	2021
3	<u>1,684.91</u>	<u>20,113.18</u>	2025
Total	\$22,651.41	\$ 89,317.53	

Monthly Expenses:

Not including the loan payments, the average monthly expenses are approximately \$2000 for electrical power, insurance and other normal operating expenses. If we include the loan payments, our monthly operating expenses are approximately \$4000. This amount does not include unscheduled system maintenance bills.

Budget Performance:

Ron Stafford has established a budget for the BMDWCA. The budget shows a one-year projection. This is a major tool for us to prepare for the daily and long-term operation of your water system.

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, 2011, should have been received by mail. Fees for users remain at \$430 this year. They are due by June 1, 2011 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 took the following actions regarding fee collection this year:

1. All accounts delinquent more than 90 days were locked out and turned over to a collection agency if the member(s) had not made a viable payment-plan arrangement with the BMDWCA.
2. If collection agency actions were not successful, a lien was placed on the property.
3. After three (3) years in arrears, the membership was 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.

A goal of the BOD is 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 three (3) members for the BOD. Election results are tabulated at the annual meeting. The people listed below have agreed to run for election:

Present BOD Member	Position	End of Next Term
Ron Stafford	BOD	May 2014
Mike Valdez	BOD	May 2014
Paul Walenciak	BOD	May 2014

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, also Fidelity Investments in Albuquerque. This allows us to access our assets and conduct business from Chama and Albuquerque. Our investment accounts are with Fidelity Investments 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

Telephone Numbers/E-mail Addresses:

This year we were unable to contact a few of our members regarding major leaks at their cabins because we did not have telephone numbers or email addresses. We are asking you to give us your telephone number and e-mail address. This will allow us to contact you regarding major BMDWCA issues. 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 with your telephone number so we can contact you in case of emergencies.

Thank you,



Tom Petersen
President

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

Please remember the annual meeting!!!!

Brazos Canyon Volunteer Fire Department

Sunday May 29, 2011

1:00 p.m.