



Steve King
GENERAL MANAGER

ELDORADO AREA WATER & SANITATION DISTRICT
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John Calzada, PRESIDENT
Gregory Hart, VICE PRESIDENT
David W. Yard, SECRETARY
Elizabeth Roghair, TREASURER
David Burling, DIRECTOR

FINAL MEETING MINUTES - REGULAR BOARD MEETING
18 October 2023 – EAWSD Conference Room – 5:30 PM

MEETING CALLED TO ORDER by President Calzada at 5:30 PM.

ROLL CALL by Debra Sanderson. Those present were President Calzada, Vice-President Hart, Secretary Yard, Treasurer Roghair, and Director Burling. All Directors were present.

ALSO IN ATTENDANCE: Nelisa Heddin, RATE STUDY CONSULTANT; Anthony Marino, JACOBS OPERATIONS MANAGER; Steve King, GENERAL MANAGER; Anna Mondragon-Metzger, ADMINISTRATIVE PROJECT MANAGER; Debra Sanderson, ADMINISTRATIVE ASSISTANT AND (3) GUESTS.

APPROVAL OF AGENDA: 18 October 2023

➤ President Calzada asked if there were any additions or corrections to the agenda of 18 October 2023.

MOTION: Director Burling moved to approve the agenda for 18 October 2023. Secretary Yard seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of the motion to approve the agenda for 18 October 2023.

APPROVAL OF MEETING MINUTES: 20 September 2023

➤ President Calzada asked if there were any additions or corrections to the meeting minutes of 20 September 2023.

MOTION: Secretary Yard moved to approve the meeting minutes for 20 September 2023. Treasurer Roghair seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of the motion to approve the meeting minutes for 20 September 2023.

CONSENT AGENDA:

A. Consideration and approval of appointment to the EAWSD Capital Planning Advisory Committee (CPAC) *S. King*

B. Consideration and approval of modification to the EAWSD Committee Charter for the Finance and Audit Advisory Committee by Resolution N°. 24-10-01 *D. Burling*

➤ President Calzada asked if there were any additions or corrections to Consent Agenda Items A and B as presented.

MOTION: Director Burling moved to approve Consent Agenda Items A and B, as presented, for 18 October 2023. Treasurer Roghair seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of the motion to approve the Consent Agenda for 18 October 2023.

REPORTS:

Management Report:

S. King

- Mr. King commended Mr. Marino for his leadership role in mobilizing the Jacobs team yesterday afternoon during a major line break in the Monte Alto Rd. area. Mr. Marino described the two lines that run along Monte Alto Rd. as historically known to be a troublesome area. The leak occurred on the distribution line, in the greenbelt between Monte Alto and Bosque Loop. When a leak of this magnitude occurs it is possible that tank levels in all of the District's four pressure zones can drop which is why some customers experienced low water pressure and/or no water service. To monitor on tank levels, the SCADA system was also being monitored from the office by one of the operations team members. Mr. Loewy thanked Mr. Beck (Jacobs Operations Supervisor) for staying at the site into the early morning hours (2 am) until the line repair was completed.
- Director Burling asked if the District's Emergency Alert Notification was sent to customers in this instance. It was noted that the District did use the Emergency Alert Notification system (RAVE) for the first time, to target approximately 320 customers who were affected by the Monte Alto line break.

Operations Report:

A. Marino

- Mr. Marino announced that JACOBS would be hosting a SOUTHWEST SUSTAINABILITY GROUP next week, primarily for internal training and concluding with a community service project with participation of the attendees, to rebuild the planting beds at the KEN & PATTY ADAMS SENIOR CENTER in Eldorado.
- Director Burling asked if there was an update regarding the District's proposed upcoming ribbon cutting events. There was some discussion to scale back the event expectations and a recommendation that the COMMUNICATIONS AND CUSTOMER SERVICE ADVISORY COMMITTEE (CCSA) discuss the event at their next meeting.

TREASURER'S REPORT: None

E. Roghair

- Treasurer Roghair reported on the reserve analysis for the 12 months ending on June 30. She explained that the District is transferring \$150,000 from Sunflower Bank back to the State Treasurer's Office (STO), which will make up for the remaining amount that was taken out in May to pay the debt service. She expects that the FINANCE AND AUDIT ADVISORY COMMITTEE (FAAC) will annually evaluate the reserve balance and make transfers where possible to increase the District's amount of reserve. Lastly, she shared that the District does have an Operating Reserve, which is money set aside and invested, although no pro forma operating policy has formally been agreed upon on how that money is to be specifically allocated.

Legal Update: None

T. Scott

PUBLIC COMMENTS:

- Treasurer Roghair introduced NANCY AND VAL ALLRED, residents of 28 Quedo Road attending the meeting. Treasurer Roghair stated that per the consensus of the FINANCE AND AUDIT ADVISORY COMMITTEE'S (FAAC), they will be presenting Ms. Allred to the Board for consideration and approval to become a member of FAAC at the next Board meeting. Both Treasurer Roghair and Ms. Allred are retired CPAs with a common interest in offering their financial knowledge and expertise to the committee.
- Joe Loewy, resident of 6 Monterey Road, urged the Board to pay close attention to the Rate Study Presentation given by Nelisa Heddin, independent consultant working with the RATE STUDY ADVISORY COMMITTEE. The Committee has already spent hours making difficult decisions regarding the rate schedule that will be implemented for the next 5 years and encouraged everyone to listen to Ms. Heddin's presentation.

AGENDA

1. **Executive Session in accordance with NMSA 1978 10-15-1 (H) 2 pertaining to LIMITED PERSONNEL MATTERS** *EAWSD Board GM & APM*

MOTION: President Calzada made a motion that the Board enter into Executive Session in accordance with NMSA 1978 10-15-1 (H) 2 pertaining to Limited Personnel Matters. Director Burling seconded the motion.

- No further discussion.
- Ms. Sanderson took a roll call vote of the Board to enter into Executive Session. All Directors voted in favor of entering into Executive Session.
- The Executive Session began at approximately 5:52 pm and concluded at 6:17 pm.

MOTION: President Calzada made a motion to return to the meeting. Director Burling seconded the motion. All Directors voted in favor of returning to the regular agenda. It was noted that the Board did not take any formal action or make any decisions during the Executive Session.

2. **Presentation by the Rate Study Consultant on the findings of the EAWSD Cost of Service Study and Rate Analysis, with recommendations for Board consideration** *N. Heddin*

- Ms. Heddin began her presentation by highlighting that water utilities across the nation are looking to increase their rates for various reasons, but there are several driving forces influencing price increases in Eldorado specifically, including the rising operating and maintenance costs due to inflation, aging water facility infrastructure, operating costs for a new water supply source from Santa Fe County, addressing declining groundwater levels, and revenues required to meet all capital improvement needs.
 - Ms. Heddin explained a 4-step project approach used to develop rate recommendations. 1) Determine revenue requirements 2) Functionalize revenue requirements into cost components 3) Allocation of cost components to customer classes and 4) Design rates.
 - In the next four years, base fees are set to see a slight increase along with a tax levy assumption to achieve a set level of income. The out-of-district charge increase is the final area in which recommendations have been made.
 - Ms. Heddin concluded by recommending that the District proceed with the adoption and implementation of the recommended rates while monitoring operating results both monthly and annually and continuing to evaluate capital improvement project needs.
- The Board discussed the District's largest debt retirement being the single biggest reason why rate increase percentages could be kept to a minimum and proposed times in the first quarter of 2024 to present the 2025-2029 rate schedule to the community.

3. **Consideration and approval of EAWSD Uncollectable Charges and Bad Debt Write-off Policy #P24-10-01** *E. Roghair*

- Treasurer Roghair explained a new policy that was developed to manage UNCOLLECTABLE CHARGES AND BAD DEBT WRITE-OFF in the billing system so the uncollectable amounts would not continue to appear in the General Ledger year after year. She thanked Ms. Roybal, the CUSTOMER SERVICE & BILLING OFFICE SUPERVISOR, for calling attention to this necessary and important update. Ms. Roybal developed a set of guidelines, which were incorporated into a newly developed policy, for reviewing and documenting older accounts and getting the District Treasurer's approval to formally write off bad debt.
 - Reviews occur at three levels. Once Jacobs deems the account uncollectible, after all collection efforts have been exhausted, it moves to the District where additional collection efforts are conducted and then submitted to the District Treasurer for final review and signature approval as a bad debt write off. The record is then saved as a digital file and hard copy that is kept for the appropriate retention period.

MOTION: Director Burling made a motion that the Board approve the EAWSD UNCOLLECTABLE CHARGES AND BAD DEBT WRITE-OFF POLICY #P24-10-01. Secretary Yard seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of approving the aforementioned motion.

4. Consideration and approval of an employment offer for the position of General Manager *S. King*

- President Calzada reiterated this agenda item was previously discussed during Executive Session.

MOTION: Director Burling made a motion that the Board approve the employment offer for the position of General Manager. Secretary Yard seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of approving the aforementioned motion.

5. Board consideration and approval regarding Resolution N°. 24-10-02 to update District bank signature authority documents *E. Roghair*

- Ms. Mondragon–Metzger, Administrative Project Manager, brought attention to two signature authority resolution documents. One from Sunflower Bank and the other from the District that were available for Board members' signatures, if approved. She also noted that staff designations for inquiry authority are now in alignment with Sunflower Bank's Resolution as it pertains to accounts held at Sunflower Bank and recommended that the signature authority resolution be updated on an annual basis at the beginning of each calendar year.

MOTION: Treasurer Roghair made a motion that the Board approve Resolution N°. 24-10-02 to update District bank signature authority documents. Director Burling seconded the motion.

- No further discussion.
- The vote was 5 to 0 in favor of approving the aforementioned motion.

BOARD COMMENTS:

- Vice-President Hart recognized the thoughtful and necessary short-term and long-term changes needed in many of the agenda topics of tonight's Board meeting as the District moves forward. He thanked each person involved for welcoming change, even though it can often be perceived as challenging and discomfoting.
- Director Burling recognized the great work of the District, most recently the work of the RATE STUDY ADVISORY COMMITTEE and Ms. Heddin's presentation tonight. He commended JACOBS for their leadership during the water main break last evening. Director Burling additionally shared his excitement for the continued improvements in the District that he has witnessed since he started in 2014.
- Treasurer Roghair recognized public attendee Nancy Allred and her desire to serve on the FAAC and get involved in matters that affect the District and Eldorado community.
- Secretary Yard thanked Ms. Allred for her interest in serving the District and community. He thanked Mr. Marino for his team's work on the line break yesterday evening. He appreciated the information given in the Rate Study Presentation and thanked Mr. King for his accomplishments during his tenure serving as General Manager.
- President Calzada concurred with all prior Board comments expressed. He commented on how far the District has progressed in a relatively short period of time. He believes that the community at large is relatively quiet due to the level of trust that has been cultivated over the last number of years between the community and District as Treasurer Roghair previously alluded to.
- Mr. Loewy, a public attendee, wished the three directors running for re-election the best of luck during the Regular Local Election to be held on November 7th.

ADJOURNMENT:

- President Calzada adjourned the meeting at 7:01 PM.