



4/30/2022

# Annual Members Meeting

Jemez Springs Domestic Water  
Association



Prepared by: Savannah Gilbert, Office Manager

# Jemez Springs Domestic Water Association

## Annual Members' Meeting

April 30, 2022 10:00 a.m.

*Meeting to be held at Madonna Hall*

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in or hear the meeting, please contact the Office Manager at JSDWA offices at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please Contact the Office Manager at JSDWA office if a summary or other type of accessible format is needed. This establishment is an equal opportunity provider and employer.

### AGENDA

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1. CALL TO ORDER
2. PROOF OF NOTICE OF MEETING
3. PROOF OF QUORUM
4. APPROVAL OF AGENDA
- 5.
6. READING AND APPROVAL OF MINUTES
7. DIRECTORS' AND OPERATOR'S REPORTS
  - a. President John Merhege
  - b. Operator Fletcher Holliday
8. TREASURER'S FINANCIAL REPORT
  - a. Secretary/Treasurer Bob Wilson
  - b. Rate Increases
9. CURRENT AND FUTURE PROJECTS, INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN
10. COMMENTS AND CONCERNS FROM THE MEMBERS
11. ELECTION OF DIRECTORS
12. OLD OR UNFINISHED BUSINESS
13. NEW BUSINESS
14. ADJOURNMENT

Jemez Springs Domestic Water Association  
Annual Members' Meeting  
August 7, 2021 10:00 a.m.

*Meeting to be held at Madonna Hall*

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in or hear the meeting, please contact the Office Manager at JSDWA offices at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please Contact the Office Manager at JSDWA offices if a summary or other type of accessible format is needed. This establishment is an equal opportunity provider and employer.

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**Minutes**

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1. CALL TO ORDER-The meeting was called to order at 10:05 by President John Merhege. Present at the meeting were President John Merhege, Vice-President Joe Bowen, Secretary/Treasurer Bob Wilson, Director Barry Walker, Office Manager Savannah Gilbert, and Operator Fletcher Holiday.
2. PROOF OF NOTICE OF MEETING-Savannah Gilbert explained that notice of the meeting was mailed to each member on the back of the July 6<sup>th</sup> bill, and notices were posted at the Jemez Springs Village Office, the Village of Jemez Springs Library Conference Room, the Jemez Springs Post Office, the Jemez Stage Stop Restaurant, and the door of the JSDWA office. Additionally, postcards were mailed to each member on July 6<sup>th</sup>.
3. PROOF OF QUORUM-A quorum was established by the signatures of 4 board members, 6 customers, Operator Fletcher Holliday, and Office Manager Savannah Gilbert.
4. APPROVAL OF AGENDA-John Merhege called for motion to approve agenda; Marie Rose Cart (member) so moved. Joe Bowen seconded and the agenda was approved unanimously.
5. READING AND APPROVAL OF MINUTES-John Merhege explained that we unfortunately had a huge system failure that caused a loss of documents including the 2019 Annual Members Meeting minutes as we didn't have a 2020 meeting due to Covid-19
6. DIRECTORS' AND OPERATOR'S REPORTS
  - a. President John Merhege-  
President John Merhege asked everyone present to introduce themselves so we could get to know each other better. Then, Mr. Merhege explained that the board of directors are all volunteers and explained how the end of 2020 through the beginning of the year was challenging for the association due to the loss of experience operator John Kennedy and the passing of Board President Johnnie Garcia. Mr. Merhege went into details of what the association has done to address

the needs of the association during this time. He thanked Fletcher Holliday for the initiatives he took to step into an operator roll when needed, coming off of being with the association for only two weeks prior to John Kennedy's actions. Mr. Merhege also recognized new office manager Savannah Gilbert for the professionalism and efforts made in the office to get things in order and computer systems operating after the massive technology challenges faced with the computer update wiping out the system.

- b. Operator Fletcher Holliday- Fletcher Holliday introduced himself to the members present and went over the system and changes made to bring us closer to being updated with technology as well efforts being put forth to continue to provide quality drinking water to the consumers.
  - c. TREASURER'S FINANCIAL REPORT-Secretary/Treasurer Bob Wilson expressed that 2020 saw an increase in cash balances but that will change as there has been extensive system repairs and expenses surrounding needing extra contract laborers to handle sampling and heavy equipment work.
7. CURRENT AND FUTURE PROJECTS, INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN- The main goals of the association with regard to capital improvements are to continue with main line replacement south of the Village. The association also is needing to improve storage tanks and upgrade meters to be radio reads as this will eliminate human error on meter reads and help provide information on potential leaks, as well as be able to isolate leaks easier than the current operating model allows.
  8. COMMENTS AND CONCERNS FROM THE MEMBERS- Tom Swetnam mentioned his involvement in Source Water Protection and the real concern our systems have from potential wildfires and what information was provided to handle any contaminations from ash and soot residue if there were to be a wildfire in the area. Mr. Swetnam also mentioned the Forest Service initiatives that will help protect our system from potential wildfires, which include the thinning of so many acres of land.
  9. ELECTION OF DIRECTORS-Mr. Merhege motioned to reelect officers and asking if there were nominations from the members. There were no new nominations. Board will enter reorganization meeting after annual meeting. Robert Wilson was re-elected for a three-year term, position re-election in 2024. David Ryan was re-elected for a three-year term, position re-election in 2024. John Merhege was re-elected for two-years-due to the passing of previous position; position will be a three-year term coming up for re-election in 2023. Barry Walker was re-elected for a one-year term, position will be re-elected in 2022 for a three-year term.
  10. OLD OR UNFINISHED BUSINESS- There was no unfinished business to discussed.
  11. NEW BUSINESS- There was no new business to be discussed.
  12. ADJOURNMENT- At 11:25am, Ms. Colleen Melloy moved that the meeting be adjourned. Mr. Tom Swetnam seconded the motion and the meeting was adjourned with no objections.

# President's Report

President: John Merhege

Welcome to the 2022 Annual Meeting of the Jemez Springs Domestic Water Association. We are now back on the normal annual meeting schedule. Our By-Laws require the meeting to be conducted on the last Saturday of April.

I would like to thank and commend our Office Manager, Savannah Gilbert, for organizing the meeting and pulling things together. Before I review my report, I would like to acknowledge our employees, Fletcher Holliday and Savannah for the tremendous work they performed this year and the outstanding customer service they consistently exhibit. They have both brought new ideas and innovation to their positions as well as being absolutely great to work with. We are extremely grateful to have them and thank them for their dedication. I would also like to thank our Secretary/Treasurer Bob Wilson for all of his efforts as a mentor to Savannah, his significant efforts as our Secretary/Treasurer and all of his volunteer efforts. Bob's work with the many projects that he has taken on has enhanced our operation significantly. My thanks to my fellow Board Members for their support, volunteer hours, great oversight, and guidance. Together we have accomplished a tremendous amount of work this past year.

## Accomplishments This Year

- Applied for and allocated \$200K in Capital Outlay funding for continuation of the JSDWA infrastructure projects.
- Phase 3 of the main line replacement was completed
- River Road project completed with 400 ft of line replaced.
- Rebuilt 3 of 5 Pressure Relief station vaults in Area 3
- Completed the System Water Meter Inventory
- Installed all new Tank Level Controllers on tank which allows us to monitor tank levels from a distance more periodically, and is an additional tool to help in detecting leaks before there is a major issue.
- Worked with multiple home owners to repair long standing leaks.
- Completed another Maintenance overhaul at the Arsenic Treatment Plant

## Ongoing and Future Projects

- Continue with Phase 4 of the Main Line Replacement project
- Replace and Rebuild the main System Pressure Relief Valve (PRV)/HUB vault at Area 1
- Replace Area 3 Vaults 1 and 2 with upgraded single vault
- Repair Madrid PRV vault
- Initiate corrective actions as a result of the Water Meter System Inventory
- Initiate planning for a relocation of the Church Canyon Water storage system

## Other

- Succession planning for our employees
- NM Rural Water Association completed a SOURCE WATER PROTECTION PLAN to address risks to our water system, which is currently under review by the Board of Directors.

# Financial Information

Please note that these financial statements have not yet been audited.

## Statement of Net Position As of 12/31/2021: UNAUDITED

	<u>12/31/2021</u>
Assets	
<b>Current Assets</b>	
Cash & Cash Equivalents	\$ 328,530
Accounts Receivable (Net)	\$ 29,694
Prepaid Assets	\$ 2,741
<b>Total Current Assets</b>	<u>\$ 360,965</u>
<b>Noncurrent Assets</b>	
Cash Restricted to Rental Deposits	\$ 3,149
Capital Assets Not Depreciated	\$ 57,493
Capital Assets net Accumulated Depreciation	\$ 2,497,100
Water Rights	\$ -
<b>Total Noncurrent Assets</b>	<u>\$ 2,557,741</u>
<b>Total Assets</b>	<u><u>\$ 2,918,707</u></u>
Liabilities and Net Position	
Liabilities	
<b>Current Liabilities</b>	
Accounts Payable	\$ 11,047
Unclaimed Monies	\$ -
Gross Receipts Tax Payable	\$ 5,091
Interest Payable	\$ (86)
Rental Deposits Payable	\$ 3,149
Compensated Absences, Accrued Payroll & Related Taxes	\$ 9,063
<b>Total Current Liabilities</b>	<u>\$ 28,263</u>
<b>Long-Term Liabilities</b>	
RIP Loan 13-05	\$ 46,912
Water Trust Board	\$ -
<b>Total Long-Term Liabilities</b>	<u>\$ 46,912</u>
Net Position	
Net Investments in Capital Assets	\$ 2,507,680
Unrestricted	\$ 335,851
<b>Total Net Position</b>	<u>\$ 2,843,531</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 2,918,707</u></u>

Statement of Revenues, Expenses, and Changes in Net Position  
For Fiscal Year 1/1/2021-12/31/2021: UNAUDITED

	<u>This Month</u>	<u>This Fiscal Year</u>
<b>Operating Revenues</b>		
Water Sales	23,128	300,032
Other	390	6,851
Grant Income	-	205,746
<b>Total Operating Revenues</b>	<u>23,518</u>	<u>512,630</u>
<b>Operating Expenses</b>		
Employee Salaries	6,777	81,016
Employee Benefits	708	8,587
Payroll Taxes	535	6,719
Other Taxes	-	1,040
Contract System Repairs	760	15,654
Arsenic Treatment Expenses	1,000	24,310
Office Expenses	1,962	15,510
Plant Operations	14,628	60,248
Tank Monitoring	200	2,405
Insurance	390	9,023
Professional Services	-	9,152
Depreciation	6,122	74,013
Transportation Expenses	355	5,891
Miscellaneous	1,096	8,688
	<u>34,533</u>	<u>322,256</u>
<b>Non-Operating Revenues &amp; Expenses</b>		
Interest Income	-	137
Interest Expense	(569)	(6,794)
<b>Total Non-Operating Revenues &amp; Expenses</b>	<u>(569)</u>	<u>(6,656)</u>
<b>Change in Net Position</b>	(11,583)	183,718
<b>Year to Date Construction Expenditures</b>		213,618



## Treasurer's Statement

Secretary/Treasurer: Bob Wilson

Jemez Springs Domestic Water Association

Financial Results- Unaudited

12-31-2021

From the accompanying financial statements, it may look like a very good year for the Association. It looks like we had an increase in net position (or income) of about \$183,000. This statement includes the grant income of \$206,000, but not the grant expenditures of \$214,000. It is not unusual to spend more than the grant provides.

This increase in net position turns into a decrease of about \$22,000 without the grant income.

In addition to the project expenditures in excess of grant income, there were repair projects (River Road, large water leaks, etc.). The Association's infrastructure is more than 50 years old. During this year and into the future there will be more major repairs and infrastructure upgrades.

Now in 2022 we are seeing more costly, but necessary, upgrades. Additionally, inflation is also a factor.

We will have a rate increase later this year. For now, we are looking at 4% this first year, with possible future increases.

## Operating Goals

- Continue providing the community with safe, reliable drinking water that meets all EPA standards
- Main line replacement
- Rapid leak detection and repair
- Remain accessible to customers so issues can be resolved quickly and fairly

## Administrative Goals

- Continue to provide excellent customer service and strong communication with customers
- Aggressively seek funding to keep customer rates as low as possible while the Association remains financially stable
- Maintain transparency and accountability by using the best accounting practices and continuing annual audits as required in bylaws

## Any Concerns or Comments from our Members?