Doña Ana Mutual Domestic Water Consumers Association
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The following are the minutes of the Regular Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, May 21, 2026 convened at 3:00 p.m. in the Doña Ana Mutual Domestic Water Consumers Association Board Room located at 5535 Ledesma Dr., Las Cruces, NM 88007:

Call to Order & Roll Call

Vice President Morrow called the meeting to order at 3:00 p.m. and called roll:

Secretary/Treasurer – Brian Cox, Present
Board Member – Brian Clouse, Present
Board Member- Ralph Owens, Present

A Quorum was declared.

Others in Attendance:
Executive Director- Jennifer Horton, Present
Office Manager- Margo Lopez, Present
Member- Tim Brooks, Present

Approval of Agenda

Mr. Cox moved to approve the agenda as presented; the motion was seconded by Mr. Owens. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Minutes

Mr. Cox moved to approve the Special Board Meeting Minutes of April 1, 2026 as presented; Mr. Owens seconded. There was no further discussion, and the motion passed unanimously by roll call vote 4- 0.

Customer Issues and Public Input

Mr. Tim Brooks addressed the Board of Directors regarding his damaged meter and the related fees. He stated that because Doña Ana MDWCA owns the meter and it is not located on his property, he should not be required to pay for it. He requested that the $500 fee be waived as he believed it to have been vandalized and was unaware of the damage done to it. Mr. Owens inquired about the nature of the damage and Mr. Brooks stated the electrical wire from the meter was found in a bush. Ms. Horton shared that the Radio portion of the meter was damaged, therefore, the meter could not be read. He stated that he still had water running, therefore, he had no idea there was an issue. Ms. Horton shared the policy that is set is not abnormal. She stated it is very similar to that of the City of Las Cruces. Mr. Brooks stated that he worked for El Paso Electric and stated that if there was a "bad" reading the member would receive some sort of notice. He stated he still continued to get a bill on his rental property. He noted that the meter is outside his fence in the utility easement and the rental has been vacant since June or July of last year with minimal use. Vice President Morrow thanked Mr. Brooks for his input and stated that there would be no action taken today as it was not on the agenda, however, they would discuss this matter at a later time. In the meantime, Mr. Brooks's account was to be placed in a protest status.

Board President Report

Vice President Morrow stated he had nothing new to report.

Staff Reports

Ms. Horton provided financials for the months of April. Ms. Horton began to review the Check Listing and stated there was not much to report for April as there were no large construction checks written and everything else was standard for the month. She reviewed the Budget Report for April. She stated there was revenue of $5.8 million and operating expenses of $5.3 million. Ms. Horton shared that the State has paid resulting in a plus in grants and loans with a net difference of nearly $900,000. Ms. Horton reported that the Association is going to be very close to the projected revenue and a little under on projections for expenses. She further shared that she expects to be close to a million dollars by the end of the year, unless debit is paid down, which would be a goal of hers to pay off some of the smaller loans pending the cash flow. Ms. Horton reported that the Balance Sheet shows the cash is up. She shared that she has been in the process of moving money from the investment account into the money market account since more money is being made in the money market account than in bonds. She further stated that the Association is making 3.8% in the money market account. She continued to state that once all the funds are transferred, she expects interest to be approximately $10,000 a month in the money market account. Ms. Horton clarified that it sweeps in and out every day and she continues to have access to those funds. Ms. Horton wrapped up the financials with the Income Statement as it ties back to the Budget Report.

Ms. Horton provided a written report for the Project Updates. She reported on the Southeast Collection Project and shared she is waiting on USDA for their approval of Change Order #4 which will change order in the last alternative since there was money remaining. She is told there are no issues as it is pending the signature from the engineer.

Ms. Horton reported on the Picacho Hills Sewer Main Protection Project. She stated that she has not moved forward with it at this time, as she does not have a contractor interested in bidding.

Ms. Horton stated the West Mesa Water System Design Project is progressing and is close to having permits for this project with construction money in July.

Ms. Horton stated there are a total of (6) funding applications. She reported on the (2) Water Trust Board Applications. One is for a new water well and the other is to rehabilitate the tanks in Radium Springs. She stated that she is waiting for the Attorney to reach out to get closing scheduled, however, she expects it to be in July. Lastly, she shared that all but one of the (4) Colonias Applications are scheduled to close sometime in July and with one to close shortly after. (2) Applications are for additional water wells and the last phase of the Dona Ana Village Lift Station Project which will run the rest of the forcemain and then rehabilitate the manholes. The other is the West Mesa Water Project which is the (2) tanks, the wells and transmission line and lastly the first phase of design for East Central which is a wastewater project.

Ms. Horton reported on subdivisions. She reported Desert Oaks has had the concept review returned to them with comments and will wait for those to be addressed.

Ms. Horton shared the Buena Suerta Subdivision has hit a roadblock. The City of Las Cruces has decided they will no longer accept their sewer as they are at capacity. This project will be on hold until a wastewater option can be found for them.

Ms. Horton shared the plans for the Villas (87 residential lots), is pending the approval of New Mexico Environment Department (NMED) in order for them to move to construction.

Ms. Horton shared Appaloosa Tract Subdivision, which has 7 residential lots on Valley Drive, and is reported to not have valid water rights.

Ms. Horton shared the plans for the Plazuela Subdivision, which has 38 residential lots on Plazuela Ct. in Picacho Hills. She stated that their concept review has been returned and is waiting for comments to be addressed and returned.

Ms. Horton shared the plans for the Altor Estate Subdivision, located on Swartz Road has 3 residential lots. She stated that their concept review has been returned and is waiting for comments to be addressed. She reported there are water rights issues to this subdivision.

Ms. Horton reported on other matters. She stated that there was 1,840 new AMI meters installed, and 3 new operator certifications (2) for Wastewater Level 2 and (1) Water Level 2 were obtained. She further stated that three other operators also tested but were unsuccessful. Ms. Horton concluded her update by sharing operators are motivated to test. She shared that part of this motivation is that the State will be changing the test and the fees will increase from $30 to $200.

Ms. Horton reported on New Mexico Rual Water Association (NMRWA). She provided a written report and recapped a few of the current issues she is working on. She shared that NMRWA owes the IRS $136,000 for unpaid payroll taxes, penalties, and interest. She reported $33,160 in excess travel expenses paid for vacation time above time earned, which involved (4) four employees and is owed to the Feds for the Federal Programs. Ms. Horton stated that approximately $31,000 in excess travel expenses paid, involving (7) seven employees, however, the audit is not yet complete. She continued to state that she does expect that amount to increase by the end of the audit. Ms. Horton shared that the GSA guidelines were not followed and that a $30,000 bonus was paid to an employee over (2) two contract periods. Ms. Horton shared that she is currently rewriting the employee handbook to bring it into compliance with the current regulations and since mid-February she has received (4) four employees' resignations and expects one more to resign next month. Additionally, Ms. Horton reported that she has hired two (2) employees and is actively looking for (2) two more to have National come out to train them.

Ms. Horton reported on the Resolved Issues at NMRWA. She shared that the financials were not submitted timely which have had a negative impact on how the account receivable worked with National and the Federal Programs. She reported that she has been working really hard to get financials in timely. She shared the Balance Sheet submitted by the prior Executive Director appears to be "made up" as the numbers that are recorded do not tie back to any other numbers on the financial programs or bank accounts. She further reported that the prior Executive Director made (2) two loans totaling $49,000 to NMRWA to cover payroll and repaid those funds to himself without board approval prior to leaving NMRWA and further discussion ensued.

Unfinished Business

Mr. Owens moved to approve the New Members New Meters; the motion was seconded by Mr. Cox. The Chair called for discussion of the motion. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Mr. Cox moved to approve the Approval of NMRWA Stipend; the motion was seconded by Mr. Owens. The Chair called for discussion of the motion. Ms. Horton stated that this item came out of the Closed Session at the last meeting, during which the Board of Directors discussed compensation for staff time related to the NMRWA contract and requested that it be placed on the agenda. Ms. Horton explained that the contract is intended to reimburse the Association for staff time spent on NMRWA matters, including her management time, as well as Ms. Lopez's and Ms. Gabaldon's time spent processing NMRWA paperwork, in addition to copier and paper supply usage. She stated that it is difficult to separate time because she and some staff work on Association matters and NMRWA matters during the same business hours. Vice President Morrow stated that part of the stipend should be used to pay for staff time. Ms. Horton responded that the staff are already paid. She explained that Ms. Gabaldon works 40 hours per week, is paid hourly, and does not take work home. She further stated that she and Ms. Lopez are salaried employees and would be the ones to take work home, if needed. Further discussion ensued. The Board of Directors agreed to a salary adjustment for salaried employees to be compensated a fixed monthly amount for time spent on NMRWA matters, while leaving $1,000 to the Association to cover payroll taxes, retirement, and supplies. The Board of Directors further agreed to have this made retroactive to the date of the contract (April 15, 2026) and will reevaluate monthly. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

Mr. Cox moved to approve the Approval of Resolution 2026 - 08 Disposal of Property Under $5,000, Resolution 2026 - 09 Disposal of Property Over $5,000 and Resolution 2026 - 10 Disposal of Scrap Metal; the motion was seconded by Mr. Clouse. The Chair called for discussion of the motion. Ms. Horton shared this is a list of the items up for auction this year and that the State requires a 30-day notice for public bid to be sold. There was no further discussion, and the motion passed unanimously by roll call vote 4-0.

New Business

Vice President Morrow stated there was a minor correction to be noted. He clarified the following resolutions are not up for approval but rather for discussion.

Ms. Horton led Discussion on Resolution 2026 - 11 Water and Wastewater Rates. She reported that she is proposing an 8% rate increase for both water and wastewater in effort to get to the state average, which she indicated was at 48% and further stated that with this increase it would put the Association at 47%. She believes this should make the State happy. Mr. Owens inquired about notifying the public about the increase. Ms. Horton stated that should the Board of Directors approve it, then she can announce the change to the rates, however, this agenda does serve as public notice. Ms. Horton suggested that an announcement can be made in the monthly newsletter, if approved. Mr. Owens suggested a quarterly chat or podcast with the members. It was agreed that the board will make the decision to approve it at the next meeting, provide an effective date for the rates to go into effect in order for it to be announced in the newsletter and posted on the website. There was no further discussion.

Ms. Horton led the discussion of Resolution 2026-12, Customer Policies. She explained that the policies and rates are reviewed annually to determine whether any updates are needed. She then reviewed the minor changes proposed for this year's Customer Policies, including a correction for a typographical error, updated fees such as pavement cut rates, the proposed water and wastewater rates, and the resolution. Ms. Horton asked the Board to send her any suggested changes to be added for final approval, as the item was presented for review only.

Ms. Horton led the discussion on Resolution 2026-14, Employee Handbook. She reviewed several proposed changes and clarifications, including the dress code, paid holidays for employees not scheduled to work, and the requirement that employees clock in on a company-issued device within the designated geofence. Ms. Horton stated that she was open to suggestions. Mr. Cox suggested adding a provision prohibiting political attire in the handbook.

<u>Closed Session</u>

Mr. Owens moved to enter Closed Session as authorized by the Open Meetings Act, New Mexico Statutes Annotated, Section 10-15-1, Subsections H (2), H (7) and H (8), the following portion of the Board Meeting will be conducted in closed session:
1. Property Acquisition; the motion was seconded by Mr. Cox. A roll call vote was taken, motion carried unanimously 4-0, and the Board of Directors went into Closed Session at 4:38 p.m.

Mr. Owens moved to exit Closed Session and entered back into Open Session; the motion was seconded by Mr. Cox, a roll call vote was taken, motion carried unanimously 4-0, and the Board of Directors went back into Open Session at 5:03 p.m.

Vice President Morrow stated:
In accordance with the Open Meetings Act, New Mexico Statutes Annotated, Section 10-15-1, Subsections H (2), H (7) and H (8) 1. Property Acquisition no action is necessary in Open Session with regard to the matters discussed on the agenda.

Board Open Discussion

Mr. Cox inquired about the status of the Westmoreland judgement. Ms. Horton reported that the judgement was paid in full and further discussion ensued.

Mr. Cox asked if there have been any recent updates on Spartan Construction. Ms. Horton stated there has not been any movement.

Adjournment

Mr. Clouse motioned to adjourn at 5:10 p.m., with a second from Mr. Cox. The motion passed unanimously 4-0.

Brian Cox
Secretary/Treasurer

6/25/26
Date