

**2025 Annual Meeting of Sky Country Estates Mutual Domestic Water Consumers
Association Meeting Minutes**

July 5, 2025.

63 Clear Sky Road, Cloudcroft, NM 88317

1. Meeting called to order by President Koch at 3:03 pm MDT. Members present: On phone are Tim Narvkal and Jeremy Hodges. Members present in person are: Robert Mitchell, Tom and Joan Nussbaum, Tom and Pam Runyan, Gary Brotan, Bob and Mary Duce, Karen Scarborough, Mike DuBois, Rene and Margie Medina, Ray and Mary-Anne Estrada, Don and Virginia Littlefield, Bill Hanson, Dan Sarkozy, Lourdes McDaniel, Ed and Stefanie Koch. Quorum established.
2. Proof of Notice of Meeting: First notice of meeting and election sent out May 21, 2025. Second Notice with agenda and ballot sent out June 17, 2025. Reminder sent June 30, 2025.
3. Approval of Agenda: Member Joan Nussbaum made a motion to approve the agenda as presented. Member Mary Duce seconded the motion. The motion passed unanimously by the members.
4. Approve Minutes: President Koch read the minutes of the July 6, 2025, minutes. Ray Estrada made a motion to approve the minutes. The motion was seconded by Don Littlefield. The motion passed unanimously by the members.
5. Reports of Officers.

President Koch gave a Presidents report which is attached as Exhibit A. There were no members' questions or comments.

President Koch gave a water report which is attached as Exhibit B. There were no members' questions or comments.

President Koch reported the Consumer Confidence Report (CCR) that we are required to provide the water users every year has been mailed and or emailed to each member and is posted on the website.
6. President Koch explained the phases of our Infrastructure Improvement Project. All the estimates are provided by our engineering firm, Souder Miller and Associates from Las Cruces. Phase 1 is for the complete engineering of our project and the estimate is \$275,000. Phase 2 is for a new well and water source and the estimate on that is \$710,000. Phase 3 is new storage and the updated estimate is \$850,000. Phase 4 is a new supply line from well # 3 to the storage tank on lot 9 and estimated at \$1,780,000. Phase 5 is the replacement of all water lines and is estimated at \$2,305,000. The first two phases we have applied for financial assistance already. The next 3 phases will occur over the next 3 years.

Last year we applied to the New Mexico Water Trust Board for the \$275,000 phase 1 costs. We were just notified that we were awarded a \$220,000 grant and a no interest loan over 20 years of the remaining 20% or \$55,000. There is a ¼ of 1 percent administrative fee required. There is a possibility the 20% loan amount could be reduced to 10% and the grant amount increased. Based on the 20% loan amount the cost to each member would be just under \$5.00 per month.

We also applied to the New Mexico Capital Outlay Program for financial assistance for the phase 2 amount of \$710,000. The program is run by the state legislature. We are waiting to find out how much we are granted and what the terms are. We should know by the end of July.

We will be applying for the next 3 phases at the appropriate time. President Koch asked the members attending if they are still willing to pay for the water system improvement project that was approved at last year's meeting. Everyone agreed they are on board to pay for the project. Based on the members reply, President Koch made the following motion: **“I make a motion for a vote of the membership to approve the water system improvement project including any financial assistance obtained and the additional cost in the monthly administrative charge to members that might result during and after the completion of the project and until all debt is retired. The vote will be conducted by mail and at a special meeting of the members where the votes will be tabulated. The special members' meeting is to be held on a date to be determined based on the By-Laws and the following criteria. Within one week of when we are notified of the New Mexico Legislative Infrastructure Capital Improvement Plan award to SCEMDWCA, a notice of the date of the members meeting and ballot will be sent to the members by first class mail. The members' meeting will be held no later than 3 weeks after the date of notification of the ICIP award. Members may mail in their ballot or bring them in person to the special members meeting.”** President Koch said he made the motion so that all members will have a chance to vote on continuing with the project since all members were not present at this meeting and the New Mexico Finance Authority needs a proof of members approval. Member Joan Nussbaum seconded the motion. The motion passed unanimously by the members present.

7. Administrative Matters. Member Karen Scarborough asked that in the POA meeting it was referenced about the importance of having access to Clear Nite Road and if that synced with the MDWCA thinking. President Koch answered the attorney for the POA, who also happens to be the MDWCA attorney, has been

made aware of the MDWCA concerns about access to Clear Nite Road both for servicing the wells and the possible water improvement project options for water lines on that section of Clear Nite Road. Member Jeremy Hodges asked about the possibility of needing an easement on that section of Clear Nite Road.

President Koch replied that is one of the concerns the attorney has been made aware of. Member Mike Dubois asked in regard to the new well, who makes the decision on where to drill the well. President Koch answered the engineering firm based on their geologists' recommendations determines the locations. He also mentioned it is possible we could redrill our existing wells and the possibility of having to drill several new wells before finding water.

8. Financial Report and New Budget. President Koch gave a brief year-end financial report. The administrative expense totaled \$6,642.68, which was below the budgeted amount of \$8,335.00. The largest expenses were for insurance at \$2,781.05 and QuickBooks subscription expense of \$830.10. QuickBooks subscription costs will be increased by about \$10.00 per month this next year. Water system expenses include \$1,115.65 for maintenance, \$2,329.96 for electricity, \$967.05 for repairs, \$736.00 for purchased water, \$845.00 for water operator expense for a total water system expense of \$6,034.92. This was about half of the budgeted amount of \$ 12,850.00. We were fortunate to not have any significant repairs during the year. The total income was \$27,115.99 and total expenses were \$12,677.60. At the end of the year the available cash in the checking accounts totaled \$92,293.00. \$55,000 of the cash is allocated to the reserve accounts leaving \$37,293.00 in the general fund. Total assets and cash total \$489,806.93 of net worth.

New Budget: President Koch presented the FY 2025-2026 Board approved budget proposal. Under the maintenance budget line, President Koch requested some maintenance items he is needs funds for. They are:

Chlorination System. Approximately \$1,500

Valve Riser Covers PVC DWV Flexible Cap, Quick Cap, Flexible Quick Cap.
Appr. \$1,000

Trees Removal on Lot # 9. Approximately \$1000.

Capricorn Point Intersection Valve Reconfigure and Additional Valve:
Approximately \$2,000

The new Fiscal Year budget total request is \$21,500. The new monthly charges to members for Administration of \$11.73. Members with water service total monthly billing will be \$59.52.

Member Lordes McDaniel made a motion to approve the budget. The motion was seconded by member Mary-Anne Estrada. The members unanimously approved the fiscal year 2025-2026 budget. Exhibit C attached.

President Koch suggested moving \$10,000 from the general fund to either the Water Project Reserve or the POA Legal Assistance Reserve. Member Karen Scarborough made a motion to move \$10,000 from the general fund to the POA Legal Assistance Reserve Fund. The motion was seconded by Mary-Anne Estrada. Motion passed unanimously by the members.

9. Election of Directors. Since there are two open Director positions and only two candidates for the two positions, Mike DuBois made a motion to accept the two candidates as winners. The motion was seconded by Mary-Anne Estrada. The members passed the motion unanimously.
10. New Business. Mary-Anne Estrada brought up our By-Laws do allow water for new construction no matter how much or how little is used. It bothers her that we purchase water for members personal use and to use any at all for construction purposes is not acceptable at all, since we are buying water for members personal use. She stated that the By-Laws should be changed to not allow any water from the system to be used for construction, especially during times when we have water shortages and when it would be taking water away from members personal needs. Karen Scarborough agreed with Mary-Anne. President Koch said that can be taken up and discussed by the Board and cleaned up by adding to the Rules.
11. No Unfinished Business.
12. No Members Comments.
13. Adjournment. Lourdes McDaniel made a motion to adjourn. Bill Hanson seconded the motion. Motion passed unanimously by the members. President Koch adjourned the meeting at 4:15 pm MDT.

Passed and approved this _____ day of _____, 2025

Attest _____