

Minutes

Sky Country Estates Mutual Domestic Water Consumers Association Board of Directors Meeting

Date: Wednesday, April 8, 2026, at 3:00 pm MDT

Location: 63 Clear Sky Road, Cloudcroft, NM

Call to Order. President Koch called the April 8, 2026, meeting of the Sky Country Estates Mutual Domestic Water Consumers Association Board of Directors meeting to order at 3:01 pm MDT.

Confirm a Quorum. Directors present: Ed Koch, Don Littlefield, Lourdes McDaniel, Bill Hanson and Ray Estrada on phone. All five directors present, quorum confirmed. Also present either in person or on phone are members Mary-Anne Estrada, Jeremy Hodges, Mike Dubois, Mary Duce and Tim Navrkal.

Directors and Public Comments. No Director Comments. No public comments.

Approve Minutes of Board Meetings. Present Koch presented minutes of March 11, 2026, Board Meeting. The minutes are on the website and were sent to all the Directors prior so they would have a chance to review them. There were no comments or corrections to the minutes. Director Hanson made a motion to approve. The motion was seconded by Director Littlefield. The minutes were approved by unanimous vote of the Directors.

Financial Report. Treasure McDaniel gave a financial report. March administrative expenses totaled \$1,034.72. The legal expenses SCEMDWCA has contributed to the SCEPOA lawsuit regarding access to Sky Country Estates roads has totaled \$ 3,715.72. Water system expense for March totaled \$700.66. Total March expenses were \$1,735.38. Total revenue for March totaled \$1,406.68. The First National Bank balance at the end of March was \$63,392.47 and QuickBooks balance was \$26,164.50 for a total cash balance of \$89,556.97. There were no questions from the Directors. Director Littlefield commented on the great work Treasurer McDaniel is doing.

Water System Report. President Koch reported well # 2 production is at 315 gallons per day and well # 3 production is at 625 gallons per day. That is a total of 940 gallons per day we are getting from the wells. President Koch said the March average daily water use was 918 gallons per day, which meant we are breaking even and as a result we did not have to purchase any water in March. President Koch did say the average water use per day over the Easter weekend, from Friday to Wednesday was 1,275 gallons per day, over 300 gallon per day above what we produce. He attributed this to more residents on the mountain for the holiday. As a precaution he ordered two loads of water to be purchased and brought up this week.

President Koch reported the Association has 47 members and 30 water connections. Of the 30 water connections, 12 are full time residences and 15 part time residences. Three residences are

being constructed and connected to the water system. Three residences with connections use their own rainwater collection systems. Nine of the connections currently have meters installed, either by the owners or by the association. Monthly billing consists of 28 water connections at the current \$59.52 and 19 administration billing at \$11.73 for a total monthly billing of \$1,897.83.

President Koch reported the chlorine injector at the tank house was totally clogged up and had to be replaced.

There were no questions from the Directors or the public.

Water System Improvement Project Update. President Koch reported the engineer update from Souder Miller and Associates for March was “We have completed the field data collection for the geotechnical report and survey data. We have also compiled that data and have started work on preliminary design”. President Koch said it appears our grant application was not approved again this year with a reason unknown at this time.

President Koch said the weather experts have been saying the El Nino weather pattern appears to be starting up with the possibility of a super El Nino developing late summer. This generally means better monsoon moisture and more winter snow for our area.

President Koch contacted Statewide Drilling to get an estimate on redrilling our well #1 and if it would make sense to redrill the well. That well has been offline for at least 15 years due to the well caving in. The well is on lot # 68 about 100 feet from well #2. The estimate to redrill the well was \$49,931.04. Director Littlefield asked what the cost would be if they did not find water. President Koch didn't know for sure but estimated around \$35,000. Director Hanson asked why there is a cost for PVC casing and steel casing. President Koch did not know but said he would find out. Director McDaniel asked if we know how much water well # 1 was producing when it was working. Director DuBois responded that well # 1 produced a little bit more than well # 2 at that time. President Koch said we could investigate redrilling well # 1.

President Koch said he has set up a meeting for the Directors with Souder Miller and Associates for Monday April 13, 2026, to discuss our request for financial assistance options and the estimated costs of the project. We can also discuss redrilling well # 1, including costs, financing options and feasibility. Our immediate need is for another water source. Director Estrada asked if we could get a quote to redrill well # 3 also. President Koch replied we can since well # 3 production is very consistent, but it also has collapsed and is not as deep as it originally was by 80 feet. This is another issue to be discussed at the meeting with Souder Miller and Associates.

President Koch brought up the 12,000-gallon poly storage tank next to the 15,000-gallon fiberglass tank that the State says we need to stop using on lot # 9. It sits about 8 feet lower than the fiberglass tank. The problem is when it gets about half full it can't open the check valve at the bottom and the water can't flow out. He said this is another item he would like to bring up at the meeting with the engineers, could the check valve be removed and what issues would that present? Then we could use that tank for storage. The poly tank is about an inch and a half thick and is still a good tank. Director Littlefield suggested setting up a pump system to pump water

from the 12,000-gallon poly tank to the 15,000-gallon fiberglass tank. We could then use the poly tank to store water while we are still using the fiberglass tank. This is another item to talk to the engineers about. President Koch stated we need more water and storage, even if temporary. President Koch added he will bring up in the engineer meeting incorporating the current 12,000-gallon poly tank into the project. President Koch said if we had enough water production, storage is not a problem.

President Koch made a motion: “To create a Water Improvement Project Committee, in accordance with Corporation By-Laws, for the purpose of working with Souder Miller and Associates and New Mexico Finance Authority, regarding financing and construction options to complete the project efficiently and to act with fiscal responsibility for the Association. The initial committee will be comprised of all current Directors who will be tasked with determining the number of members of the committee and the committee members going forward. Members of the committee must be Association members. The Board of Directors will be responsible for selecting committee members and replacing a member of the committee, both with a majority consensus of the Directors. After discussion, Director Estrada seconded the motion. Motion carried unanimously.

Old Business. President Koch gave a February meeting follow up regarding purchase of equipment. Waiting for information from Souder Miller regarding grant possibilities. We can bring up at the meeting with Souder Miller. President Koch suggested we should delay until financing of new well and storage tank is completed. The Directors agreed to table this until later.

New Business. Director Littlefield and Director McDaniel suggested the Association should pay President Koch for the operation and maintenance on his personal Polaris Ranger that he uses for the operation of the water system. Director Estrada made a motion: “that the Board discuss a certain amount to reimburse Ed for driving his Ranger to check on all the wells and lines and come up with an amount”. Director McDaniel seconded the motion. The motion passed by vote of all Directors with Director Koch abstaining.

Public Comments. Director Estrada wanted to know if we should install meters on all the houses to help with maintenance and water system problem determination, Discussion followed. President Koch said it would cost \$25,000 to \$30,000 to install meters. Director McDaniel said meters are part of the water improvement project. Director McDaniel also made a motion “that when we use Don Littlefield’s equipment to pay him for his equipment when he’s doing this”. President Koch said he has talked to Don about this and has told Don to send us a bill. After discussion it was determined the motion was not needed and Director McDaniel agreed knowing Don would be reimbursed for the use of his equipment since he would be sending a bill through his company.

Member Jeremy Hodges asked if and what are the water lines are in the ground on lots without homes. President Koch responded with lots in the first stage of the subdivision build out, most of the lots along the upper Big Dipper Road, do have a tap into the main line and it is valved and

capped at the lot line. The lots in the last two stages of the development buildout do not have a water tap.

Directors Comments. None

Adjournment. Director McDaniel made a motion to adjourn the meeting. The motion was seconded by Director Littlefield. The motion passed by unanimous vote. President Koch adjourned the meeting at 3:53 pm MDT.

Approval of Minutes:

Date
