

Minutes

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

Date: Wednesday, August 13, 2025, at 3:00 pm MDT

Location: 63 Clear Sky Road, Cloudcroft, NM and by conference call

1. **Call to Order.** Meeting called to order by President Koch at 3:00 pm MDT.
2. **Confirm a Quorum.** All five Directors are present either in person or on phone. Quorum confirmed. Also present was member Mike DuBois.
3. **Directors and Public Comments.** None.
4. **Approve Minutes of Board Meetings.** President Koch presented last months minutes from July 9, 2025. Directors indicated they have read the minutes and have no questions or modifications. Director McDaniel made a motion to approve the minutes. The motion was seconded by Director Littlefield. Motion passed unanimously by voice vote of Directors.
5. **Financial Report.** Treasurer McDaniel reported our expenses for the month of July were \$1,846.87 and income was \$4,753.66. At the end of July, First National Bank balance is \$75,096.05 and QuickBooks Checking is \$23,125.36. Total cash in bank is \$98,221.41. Treasurer McDaniel mentioned expenses will probably go up next month as we are expecting to have to purchase water through the summer months.
6. **Water System Report.** President Koch reported that water usage over the last week has dropped about 400 gallons per day to around 1,000 gallons per day. Well number 2 is producing around 500 gallons per day and well number 3 is producing around 600 gallons per day. President Koch expects daily water use to increase around the Labor Day holiday and the hopefully will reduce after that. We have had two loads of water trucked up to supplement our supply and will probably have to continue with about two loads per month until the well production increases hopefully in the fall. We installed two new water services this week on Clear Sky Road. Director Littlefield asked when billing for water service happens, after our connection service is done or when the home is connected to the water system. Discussion determined the water service charge will be billed after our connection is done.
7. **Water System Improvement Project Update.** President Koch explained the New Mexico Legislative Infrastructure Capital Outlay Program is a grant only without any matching amount or loans. The New Mexico Water Trust Board has approved a grant

of \$247,500 and a no interest 20-year matching loan of \$27,500. The total amount of \$275,000 is for the engineering and design of the complete project. We have applied to the Capital Outlay Program for phase one amount of \$ 710,000 for new well and water supply. We have been notified that since our project is not construction ready, they will not be awarding us a grant at this time. After discussion with our engineering firm, Souder Miller and Associates, we will accept the Water Trust Board grant and no interest loan to have the project engineered and designed as needed. We will apply again this year for project phase one and phase two grants from the Capital Outlay Program with the plan being phase one and phase two engineering and design will be done and ready for construction in time to qualify for the grants next year. President Koch said at this year's annual meeting he proposed a vote by the members to give every member a chance to approve the additional expense to members for the construction costs although the members at the meeting approved the additional costs. Now that we know there may be no cost to the members due to the financing options, President Koch said he would like to send a letter to the members explaining the financing options and include the following statement. "The members at this year's annual meeting approved of paying for the water project costs but since the meeting we have found out we do not expect any additional costs for the project. Since we are expecting no additional costs to the members for the water improvement project, the Board does not see the need for another vote for approval of the project costs for members. In the future, should there be an unforeseen and appropriate change in the financial costs that impact the membership, we will at that time give the membership another opportunity to vote for approval". Director McDaniel made a motion for President Koch to send the letter to the members. Director Hanson seconded the motion. The motion passed unanimously.

8. **Old Business.** Director Littlefield suggested a revision to our approved moving of the main line valve at the intersection of Clear Sky, Clear Nite and Capricorn point. He said that looking at the current valve and riser we could get by just creating a concrete pad around the riser instead of digging up the road and installing new valve. He said the riser is steel and is designed to be supported by a concrete pad. Our approved cost for relocation of the valve is \$2,500 but a concrete pad would be around \$1,000. It was agreed we will investigate that and proceed with the best option. President Koch reported the two trees by the water tanks that need to be removed have been removed. That project approved at a cost of \$1,000 was completed at a cost of \$500.
9. **New Business.** Director Hanson brought up the installation of meters. His question was should we install meters now at our cost or wait until the water improvement

project installed the meters under the project cost? President Koch estimated the cost of the meter installation at around \$20,000 to \$25,000 to connect the residents that currently do not have meters. Director Hanson suggested contacting Souder Miller to find out if there is a way to be reimbursed from the project should we install the meters now.

10. **Public Comments.** None

11. **Directors Comments.** Director Estrada asked if we knew what caused the water system to go through a very large amount of water a couple of weeks ago. President Koch said we could not determine what happened. Director Estrada also asked if we have notified the membership we are looking for a water operator. President Koch said our current water operator is Jim Smith and he expects Jim to continue. We have not notified the members we are looking for an additional operator.

12. **Adjournment.** Director McDaniel made a motion to adjourn. The motion was seconded by Director Hanson. Motion passed unanimously. Meeting adjourned at 3:49 pm MDT.

Approval of Minutes:

Date
