

## **Minutes**

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

**Date:** Wednesday, November 12, 2025, at 3:00 pm MDT

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

**1. Call to Order.**

President Koch called the meeting to order at 3:03 pm MT.

**2. Confirm a Quorum.**

Directors present in room: President Koch, Secretary Hanson, Treasurer McDaniel, Director Littlefield. Directors on phone: Vice-President Estrada. All five directors were present. Quorum confirmed.

Also present on phone members Tim Navrkal and Mary-Anne Estrada.

**3. Directors and Public Comments.**

There were no comments.

**4. Approve Minutes of Board Meetings.**

President Koch presented the minutes of the October 8, 2025, Board of Directors meeting. After short discussion Treasurer McDaniel made a motion to approve the minutes. The motion was seconded by Secretary Hanson. All five directors voted to approve the minutes as presented. Motion passed unanimously, minutes are approved.

**5. Financial Report.**

Treasurer McDaniel gave the financial report as of the end of October 2025. Administration expenses for the month of October totaled \$2,602.09 and water system expenses for October totaled \$253.47. Total revenues for the month of October were \$4,466.17. Cash balance at the end of October in First National Bank checking was \$72,009.19 and cash balance in QuickBooks checking was \$20,422.51. Total cash available is \$92,431.70. Accounts receivable totaled \$305.45. Accounts payable were \$0.00.

**6. Water System Report.**

President Koch gave a short report on the status of the water system. Well # 2 has not increased production as a result of the summer monsoon season and

remains producing around 450 gallons per day. Well # 3 is still producing around 650 gallons per day. That totals water production of around 1,100 gallons per day. Our daily water use runs from 800 to 1,100 gallons per day. We did not have to purchase water in October and hopefully we will be able to make it through the winter. There is hope well # 2 will eventually increase daily production by another 100 to 200 gallons per day. Well # 3 remains steady at 650 gallons per day and is not expected to increase. President Koch said we continue to pass the monthly water sample tests which is a result of the chlorination system installed last year at the storage tank. He also said the well water samples the State took to test for PFAS chemicals came back without any issues. President Koch said we will be conducting another lead and copper testing at homes sometime before Thanksgiving. President Koch said he will be ordering signs to be installed on the building at the storage tank on lot # 9 and the building at well # 3. The signs will say Sky Country Estates MDWCA and have the web address for the association. Expected costs from \$50 to \$100. President Koch reported we have a new member, Ivan Dragulin who purchased lots 31 and 32 from Jason and Trena Mortimer. His membership fee was included in the closing cost of the sale.

## **7. Water System Improvement Project Update.**

- a. Approve and Sign Resolution and Grant Documents for Design Engineering Grant.

President Koch presented the grant acceptance documents from the New Mexico Finance Authority for the \$247,500 grant and \$27,500 loan for the engineering and design of our water system improvement project. After discussion the Board voted on acceptance of each document separately.

The first document was our Corporate Resolution 25-3. It is a proposed Resolution for acceptance of Water Project Fund Loan/Grant Agreement. The resolution states “A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“NMFA”) AND THE SKY COUNTRY ESTATES MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION (THE “BORROWER/GRANTEE”), IN THE TOTAL AMOUNT OF \$275,000, INCLUDING A LOAN IN THE AMOUNT OF **\$27,500** EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN OF A NEW WELL, SUPPLY AND DISTRIBUTION LINES, STORAGE TANKS AND METERS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE WATER UTILITY SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO

COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT”.

Director Littlefield made a motion to approve the resolution. The motion was seconded by Treasurer McDaniel. All five Directors voted to approve the resolution. Resolution 25-3 passed unanimously. The Resolution 25-3 was signed by President Koch and Secretary Hanson who affixed the corporate seal.

The other documents were presented and voted on separately as follows.

The Delivery, Deposit and Cross-Receipt Certificate were discussed. Treasurer McDaniel made a motion to approve. The motion was seconded by Director Littlefield. All five Directors voted to approve the certificate. The certificate was signed by President Koch and Secretary Hanson who affixed the corporate seal.

The General and No Litigation Certificate was discussed. Treasurer McDaniel made a motion to approve. The motion was seconded by Director Littlefield. All five Directors voted to approve the certificate. The certificate was signed by President Koch and Secretary Hanson who affixed the corporate seal.

The Loan and Grant Agreement was discussed. Treasurer McDaniel made a motion to approve. The motion was seconded by Director Littlefield. All five Directors voted to approve the agreement. The agreement was signed by President Koch and Secretary Hanson who affixed the corporate seal.

**b. Capital Development Program Fund Application.**

We have applied for phase 1 well construction costs of \$710,000 and phase 3 storage tank costs of \$ 864,000.

**c. Capital Outlay Application.**

We have an open application for phase 1 well construction costs of \$710,000 and phase 3 storage tank costs of \$ 864,000. The two programs will coordinate when determining grant amounts and hopefully we will receive enough total funds between the two programs to start the construction next year.

**8. Old Business.**

**a. Well # 3 Chlorination System.**

President Koch reported the chlorination system for well # 3 has been installed and working. The calibration of the chlorine levels is ongoing but the water is chlorinated.

**9. New Business.**

No new business.

**10. Public Comments**

No public comments.

**11. Directors Comments.**

No Directors comments.

**12. Adjournment.**

Treasurer McDaniel made a motion to adjourn. The motion was seconded by Director Littlefield. All five directors voted to adjourn. Motion passed unanimously, President Koch adjourned the meeting at 3:48 pm MT.

Approval of Minutes:

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Date

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