

Minutes

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

Date: Wednesday, June 11, 2025, at 3:00 pm MDT

Location: 63 Clear Sky Road, Cloudcroft, NM

1. Call to Order: President Koch called the meeting to order at 3:01 pm MDT.
2. Confirm Quorum: On phone: Secretary Hanson, Vice President Estrada. In person: Treasurer McDaniel, Director Littlefield, President Koch. Quorum Confirmed. Members who joined by phone are Mary-Anne Estrada and Karen Scarborough.
3. Directors and Public Comments. No comments.
4. Approve Minutes of Board Meetings. Treasurer McDaniel made a motion to approve. Director Littlefield seconded the motion. Motion passed unanimously by Board vote.
5. Financial Report. Treasurer McDaniel gave the monthly financial report as of the end of May. Administration expenses were \$108.76. Total water system expenses were \$269.98. Total revenues were \$1890.51. First National Bank balance is \$71,669.59. QuickBooks checking balance is \$18,290.98. Total available cash is \$89,960.57. Total assets and cash totals \$ \$487,474.50.
6. Water System Report. President Koch reported well # 2 on lot # 68 production has dropped to around 550 gallons per day due to the drought. Well # 3 on lot # 32 produces around 700 gallons per day. Our average daily water use is around 1,000 gallons per day. President Koch is concerned about higher water use in the summer months due to more residents visiting their homes which means we may have to purchase water and have it trucked in.
7. Water System Improvement Project Update. President Koch said we have applied to the New Mexico Water Trust Board for financial assistance for the engineering cost of the complete project. Our engineering firm is Souder Miller and Associates from Las Cruces and the amount would be \$275,000. That is the amount we applied for. On June 5, we received a letter from the Water Trust Board telling us they have approved a grant of \$220,000 and a no interest 20-year loan for \$55,000. The loan will have an administrative fee of .25% per year. The award is for the engineering costs. The funding is contingent upon 1. Submission of a monthly draw down schedule of project expenditures, 2. Update Open Meetings Act Resolution 3. Verification that right of way easements and permits have been secured. All must be submitted by September 30, 2025. Souder Miller and associates will provide the monthly draw down schedule and we will need to create the updated Open Meetings Act resolution. President Koch said he plans to present this award to the members at the annual meeting and have them vote on accepting it. President Koch said we do have another request in to the Legislative Infrastructure Capital Improvement Plan. This is run by NM State Legislature. The amount requested is \$710,000 for construction of a new well and associated items. The legislation was approved and signed by the Governor. We are now waiting to find out

how much of our request we will be granted and the terms. President Koch hopes to get it by the annual meeting. We are required to submit a corporate resolution that approves of the funding. President Koch introduced Resolution 25-1 approving the application and funding request. Treasurer McDaniel motioned to approve the resolution. Director Littlefield seconded the motion. The resolution was passed by unanimous vote of the Directors. Resolution 25-1 is attached as exhibit A. President Koch introduced an updated Open Meeting Act Resolution to the Board for approval. Treasurer McDaniel made a motion to approve the resolution. The motion was seconded by Director Littlefield. The resolution was passed by unanimous vote of the Directors. Resolution 25-2 is attached as exhibit B.

8. Old Business. Vice-President Estrada if about the verification of right of way we need has already been obtained. President Koch said he will contact the engineers to find out what we really need. If we need an official easement drawn up for the POA to sign, President Koch said he will contact our Attorney. Director Littlefield asked is we have an easement on the "jeep trail" going down to well # 2 on lot 68. President Koch said yes we do have an easement for the water system.

President Koch gave an update on the Sky Country Estates POA actions in regard to the Clear Nite Road access issue.

President Koch said the 15K water tank replacement engineering costs will be paid from the Water Trust Board grant and the construction from the expected Infrastructure Capital Improvement Plan. The current plan is to engineer and build a new pad for the 12k poly tank that is higher so we can use the poly tank until the project installs a new water tank. We may have to use some of our reserve funds for this. Robert Story from Souder Miller is going to inquire with the New Mexico Environmental Department would accept the PER and design as a corrective action plan until the new tank is funded.

President Koch brought up our By-Laws reference the Rules and Regulations for proxy voting. Our rules and regulations do not currently have proxy voting provisions. After discussion the Board decided to add to the rules and regulations the proxy voting rule. The rule is: All proxy votes should be sent in writing by email or postal to the association secretary, assigning the person whom you have designated for a specific topic or general proxy for the entire meeting. Proxy shall be received 72 hours prior to the meeting.

President Koch suggested we add a voting procedure rule and suggested using the POA director election rules as a template. After discussion the following were added to the rules. Special Provisions Relating to Election of the Board of Directors. Regular election of the Board of Directors by the Members Shall occur on the date of the annual meeting. In addition to the foregoing Notice provisions, not less than forty-five days before a scheduled election, the Association shall deliver, in the manner prescribed by the By-Laws and Rules and Regulations, to each Member entitled to vote, a first notice of the date of the election. Any Member or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary not less than thirty days before a scheduled election. The Association shall then mail or deliver a second notice of the meeting, in the manner prescribed by the By-Laws and Rules and Regulations, to all Members entitled to vote therein, within fifteen days of the election, together with a ballot, which shall list all candidates. President Koch made a motion to accept the voting rules as stated. The motion was seconded by Treasurer McDaniel. The resolution was passed by unanimous vote of the Directors.

President Koch asked if we should adjust our hookup fees for a member who already has a main water line tap that was installed by the developer. He said our hookup fee is \$1,500 to cover parts needed including meter, meter box, valves and contractor fees to dig. President Koch asked If the lot already has a connection to the mail line, should we reduce the fee since there is a little less work and costs involved? Vice-President Estrada asked if it would work if we prorated the charge based on what is needed. He suggested we have a base cost plus any extras needed or deductions for any existing hardware. After discussion it was decided not to change the hookup fee.

Discussion followed about the annual meeting and new budget. After discussion the Board approved a new budget to be presented to the members at the annual meeting. Director Littlefield made a motion to approve the budget. The motion was seconded by Treasurer McDaniel. The resolution was passed by unanimous vote of the Directors. The board approved budget is attached as exhibit C.

9. New Business. None

10. Public Comments. None

11. Directors Comments. None

12. Adjournment. Treasurer McDaniel made a motion to adjourn. Director Littlefield seconded the motion. The resolution was passed by unanimous vote of the Directors. President Koch adjourned the meeting at 4:44 pm MDT.

Passed and approved this _____ day of _____, 20_____

Attest: _____

EXHIBIT A
RESOLUTION OF
SKY COUNTRY ESTATES MUTUAL DOMESTIC WATER CONSUMERS
ASSOCIATION
Resolution # 25-1

For the purpose applying to the New Mexico Department of Finance and Administration Infrastructure Capital Improvement Plan (ICIP) for Water System Improvements Project Financing.

I, Ed Koch, the President, of Sky Country Estates Mutual Domestic Water Consumers Association ("Corporation"), a corporation organized under the laws of the state of New Mexico with its primary place of business at 3 Polaris Point, Cloudcroft, New Mexico 88317 hereby certify that the following is a true and complete copy of a resolution the Board of Directors of the Corporation ("Board") adopted

☒ - By a vote of the members of the Board at the Board meeting taking place on June 11, 2025.
A quorum was present, and the vote complied with the bylaws of the corporation.

I further certify that it has not been amended, modified, or repealed.

Therefore, be it

RESOLVED, that The Corporation adopt the New Mexico Department of Finance and Administration and the associated Infrastructure Capital Improvements Plan, including the New Mexico Department of Finance ICIP website, for financial assistance for our water system improvement project.

FURTHER RESOLVED, that

The water system improvement project includes new sources of well water, new and additional water storage facilities, meters, new and replacement water lines within the corporation's water system.

In witness whereof, I have set my hand on behalf of the Corporation on June 11, 2025.

By: _____

Print Name: _____

Title: _____

EXHIBIT B

RESOLUTION NO. 25-2

SKY COUNTRY ESTATES MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

OPEN MEETINGS RESOLUTION

WHEREAS, the Board of Directors of Sky Country Estates Mutual Domestic Water Consumers

Association met at 63 Clear Sky Road, Cloudcroft, NM on June 11, 2025, at 3:00 pm MDT as required by law; and

WHEREAS, Section 10-15-1(B) of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to -4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) of the Open Meetings Act requires the Board of Directors to determine annually what constitutes reasonable notice of its public meetings:

NOW, THEREFORE. Be it resolved by the Board that:

- 1) All meetings of the Board will be held 63 Clear Sky Road, Cloudcroft, NM at 3:00 pm MT or as indicated in the meeting notice. Board members who cannot attend the meeting in person may participate by electronic or telephonic means as long as the Board can hear and communicate clearly with the physically absent participant.
- 2) Unless otherwise specified, the regular meetings shall be held monthly at 63 Clear Sky Road, Cloudcroft, NM, on the second Wednesday of each month.
- 3) The annual meeting is held on a Saturday around the first week of July at or around 1:00 pm.
- 4) The agenda will be available at least seventy-two hours prior to the meeting from the board president.

- 5) *For the purpose of regular meetings described in paragraph 2 of this resolution, notice requirements are met if notice of the date, time and place are posted on the association website, www.skycountryestateswater.com.*
- 6) *Special meetings may be called by the Chair or a majority of the members upon three (3) days' notice. The notice shall include an agenda for the meetings or information on how members of the public may obtain a copy of the agenda. The agenda shall be available to the public at least seventy-two (72) hours before any special meeting.*
- 7) *Emergency meetings will be called only under unforeseen circumstances, which demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss.*
- 8) *In addition to the information specified above, all notices shall include the following language:
If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the board president at 602-510-8582 if a summary or other type of accessible format is needed.*
- 9) *The Board may close a meeting to the public only if the subject matter of such discussion or action is exemplified from the open meeting requirement under Section 10-15-1 (H) of the open meetings act.*

Passed by the Board of Directors on _____

OFFICER

OFFICER

EXHIBIT C

SCEMDWCA 2025-2026 Board Budget			Estimated	Proposed	
Account			2024-2025	2025-2026	2024-2025
1000	<u>Administration</u>		Year Total	Budget	Budget
1000 – 100	Postage	\$	129.20	\$ 150.00	\$ 175.00
1000 – 110	Office Supplies	\$	113.51	\$ 125.00	\$ 75.00
1000-111	Office Equipment	\$	107.80	\$ 120.00	\$ 275.00
1000 - 115	Printing and Copying	\$	-	\$ -	\$ -
1000 – 120	Website	\$	17.17	\$ 25.00	\$ 20.00
1000 – 130	Insurance	\$	2,781.05	\$ 3,000.00	\$ 3,100.00
1000 – 140	Legal	\$	491.70	\$ 1,000.00	\$ 1,000.00
1000 - 145	POA Lawsuit Assistance From Reserve			\$ 5,000.00	
1000 – 150	Bank Fees	\$	-		\$ 20.00
1000 - 150-1	QuickBooks Service Fees	\$	408.84	\$ 425.00	\$ 360.00
1000 – 160	IRS – NM Filing Fee	\$	600.00	\$ 35.00	\$ 10.00
1000 - 170	NM Water Conservation Fund	\$	14.29	\$ 20.00	\$ 20.00
1000 - 180	Gross Receipts Tax	\$	954.55	\$ 1,000.00	\$ 1,000.00
1000 - 190	Training	\$	-		\$ 100.00
1000 - 200	Accounting Services	\$	-		\$ 1,000.00
1000 - 200 -1	QuickBooks Monthly Charge	\$	830.18	\$ 1,000.00	\$ 780.00
1000 - 300	Subscriptions	\$	178.00	\$ 300.00	\$ 300.00
1000 - 400	Emergency Fund	\$	-	\$ -	
1000 - 410	Capital Improvements Reserve	\$	-		
1000 - 420	Water Improvement Project From Reserve	\$	-	\$20,000.00	
1000 – 500	Miscellaneous	\$	11.92	\$ 100.00	\$ 100.00
Subtotal Minus Legal & Project Reserves		\$	6,638.21	\$ 7,300.00	\$ 8,335.00
3000	<u>Water System</u>				
3000 – 100	Maintenance	\$	1,115.65	\$ 5,000.00	\$ 2,500.00
3000 - 110	New Service Connection Exp	\$	-	\$ 2,400.00	
3000 - 115	Electricity	\$	2,355.35	\$ 2,500.00	\$ 2,500.00
3000 - 120	System Repairs	\$	967.05	\$ 2,000.00	\$ 4,000.00
3000 - 121	Purchased Water	\$	736.00	\$ 2,800.00	\$ 1,600.00
3000 – 125	Water Operator	\$	910.00	\$ 1,500.00	\$ 1,500.00
3000 - 400	Operating Reserve Fund				
3000 - 500	Water Samples	\$	91.26	\$ 300.00	\$ 600.00
3000 - 600	Miscellaneous	\$	-	\$ 100.00	\$ 150.00
Subtotal Minus New Service Connection Expense		\$	6,175.31	\$ 14,200.00	\$ 12,850.00
Total General Expenses		\$	12,813.52	\$ 21,500.00	\$ 21,185.00

				Monthly	Year
47	Members Fee	2025-2026	Admin Cost Less Tax	\$ 11.17	\$ 134.04
			2024-2025	\$ 13.95	\$ 167.40
		2025-2026	New with Tax (5%)	\$ 11.73	\$ 140.74
				Monthly	Year
26	Lots With Water Fee	2025-2026	Water Charge Less Tax	\$ 45.51	\$ 546.15
		+ Admin	Total	\$ 56.68	\$ 680.20
			2024-2025	\$ 58.93	\$ 707.16
		2025-2026	New with Tax (5%)	\$ 59.52	\$ 714.21

Billing is done by invoice every month

Cash Allocation, End of June 2025	
Emergency Fund Reserve	\$10,000.00
General Operating Fund Reserve	\$10,000.00
Capital Improvement Fund Reserve	\$10,000.00
POA Legal Lawsuit Assistance Reserve	\$0.00
Water Improvement Project Fund Reserve	\$25,000.00
Total Reserve Funds	\$55,000.00
General Fund (Estimated Cash - Reserve)	\$34,000.00

Proposal

Move \$10,000 from General Fund to Water Improvement Project Reserve or POA Legal Assistance Reserve Fund

*** Notes*** Pre tax Member Fees do not include the NM Gross Receipts Budget amount
Purchased water cost are \$360.00 per 2,700 gallon truck load.
Legal Lawsuit and Water Project Costs are Paid from Reserves First