



Regular Board Meeting Minutes

June 17, 2026

The Regular June Board meeting of the Lee Hammond MDWCA was called to order at 18:03 on June 17, 2026, at 414 RD 5500 by Teresa Stevens.

Present

Barb Kiipper

Doug Smith

Joe Lewis

Russell Cloer

Teresa Stevens

Aaron Lee

Tiffany Alcon

After the review of the minutes of May 20, 2026, Teresa asked if there were any questions or concerns. Doug had a question about the ICIP, he is not sure what they are. Aaron stated that we are going to talk about that in tonight's meeting, and approve if that is what the board decides.

Barb Kiipper Motioned to approve the minutes, Doug Smith Seconded, all in favor.

Approval of Agenda

The agenda included, Approval of agenda, Consideration and approval of May's meeting minutes, Financial report, Operational report, Members/customer issues- Discussion and adoption of Resolution 2026-06, Drought information and planning, Aaron's Goals, Director Comments/Other Items.

Teresa asked for Motion to approve Agenda. **Barb Kiipper Motion to approve, Russell Cloer seconded, all in favor.**

System Report

Financial Report

Aaron gave a financial report for May, revenue was \$131,389 107% of budget, Other revenue was \$14,342 3.5%. Expenditures \$82,883 70% of budget. Net revenue \$62,849 86 %. We have roughly 1.7 Million in the bank between all the accounts. Once we get the adjustments from the audit you will see a change in the reports with the accounts receivable being zeroed out. This should have been done last year, and wasn't. We will have the audit report during the next board meeting. We are cash basis now, which should only show when we receive the money vs accrual when we create the invoices. There is a line on the report that shows the \$450,000, we don't have the money yet, but the state wanted it on our budget for this year, so hopefully we can get it and spend it by the end of the year.

Operation report:

We didn't have a water loss this month, but produced 15,367,808 gallons for water sales. With our new billing software we get a lot more information on the report.

The To/From is our customers who have multiple accounts and they pay all at once on 1 account, and then dispersed from that one account with a To/From. We can see the number of customers that have higher usage vs the ones with smaller usage, How many customers on each side of the river, etc.

We had 9 transfers this month.

Discussion and adoption of resolution 2026-06:

ICIP. There is a print out showing what is on our ICIP (Infrastructure Capital Improvement Plan) for the projects we hope to get funded for the upcoming year. The tank rehab, the second pond, upgrades to the shop and plant are put in as 2 separate projects. This doesn't include the lines on Rd 5500 and the power to all tanks. It does include cotton wood tank rehab, additional for building the second pond, We did add one more project that has not been approved yet, and that is adding an additional line to feed Blanco and the Apple Orchard. There are some drawings in your book with maps to show the layout of the additional line for Apple Orchard and Blanco if approved. Both systems currently purchase water from Bloomfield and they just keep raising the rates on them. Regionalization projects are projects that fund more than 1 water system. The state is more likely to fund a regionalization project and you get extra points for funding those projects. We have a line currently on 4990 and 4992 that runs along the ditch, so if approved we would replace this current 4" line to an 8" line to feed Blanco and the Apple Orchard. We do have 1 issue, that if we do go through with this we would have to get with the BLM for a right of way crossing on their land. They may or may not let us cross. If they tell us we can't, we have another option to go along the road that we already have a right of way on. Blanco has a pumping station that we could feed too then Apple Orchard would just have to run a line from Blanco to theirs. If the state doesn't want to pay for it, we won't be doing it. Doug asked what the operational costs would be. The operation cost would be zero, we don't really have

to do anything because we already have a line out that way. Who would maintain the line? We would more than likely maintain the line over to Blanco's pump station, but the line maintenance is pretty minimal unless something breaks. We would more than likely have some sort of contract with Blanco and the Apple Orchard to split costs if we have a costly repair.

Resolution 2026-06 Joe motioned, Doug Seconded, all in favor.

Drought Information and Planning:

Doug proposes to put the Policy oversight and compliance first, then the response stages and restrictions second .

Doug asked per the printout: What does it mean to us as far as the office of the state engineer announcing the SJ river will be placed under priority administration the current water year? Aaron; It will affect everyone who has water rights. Priority administration means that people with the oldest water rights will have priority for water. The Jicarilla's and the Navajos have the oldest water rights. They store their water in the lake and the state is leasing those water rights. The Navajos can divert theirs, they are currently building a water plant that can feed all the way to Gallup, and then another line of pipe goes to the TeePee's. So basically the oldest water rights get theirs first. AND if anyones is too new they can cut them off, and tell them they can't pump water. Depends on how dire the situation gets. This year they did say they were going to do Priority administration. Next year will depend on what we get in rain and snow. We don't know how strict the state engineers office will be.

Joe asked; So 1.5 x the normal rate? Aaron: That is the idea, because when you tell someone to conserve water, most of the time people start using more water. The idea would be to make it expensive so people will not use so much. Customers use the water if they get turned off by the ditch, so they use potable water to water their lawns, flowers, etc, and we will have to conserve for households. With the different stages, we would increase rates, then if we get to stage 4, we might have

to look at turning valves off. Worst case scenario! Then only turning on during a certain time. We hope to not have to come to that. We run into more problems like stagnant water and such.

Aaron's Goals:

Electrical and aeration to all tanks. We have power poles set at 2 or 3 of those that weren't there. We are currently waiting for COF to install poles, we have already paid for this. They are working on Right of ways. 1 or 2 of them might require BLM right of ways, so hopefully in the next couple of weeks we should start getting power turned on. We did get quotes on fences that are missing. They came in around \$9-10,000 each. Aaron will be approving, the lowest cost one was from TNT Fence, They are not the ones who did the gate and fencing before. The refurbishment should go to bid in August on the tank. We are going to include both tanks, 1 with a bid item and the other with an additional bid item. The 2 sections of pipe, we do have specs, and the printout is on the board table for review. Will get the bid documents completed in the next couple of days, and will send out in August if the board is good with that. Doug stated that they are good with it, so proceed. The pipe is ordered and will be done in house. This is one of the line repairs, there are only 3 services on this line. The shop extension at the office and the plant are included on our ICIP. We have to have an architect do the drawings due to procurement codes. We still have to do a RFP Process.

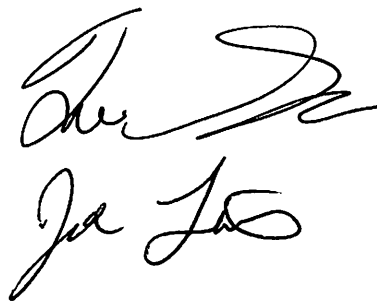
Board packs have been out before Friday at noon.

Member/customer issues;

None

NRWA Waterpro conference will be September 14-16 in Phoenix, AZ.

There being no further business, Barb Kiiper and Russell Cloer adjourned at 19:09.



Two handwritten signatures are present. The top signature is written in cursive and appears to be 'Barb Kiiper'. The bottom signature is also in cursive and appears to be 'Russell Cloer'.