

Las Campanas Water Cooperative Open Board Meeting

The Club at Las Campanas

January 19, 2023

Open Session: 10:30 – 11:30 AM

- I. CALL THE MEETING TO ORDER: President, Stephen Raab

- II. OLD BUSINESS
 - A. Approval of the October 11, 2022, Quarterly Board Meeting minutes: Stephen Raab, **Exhibit A**

- III. NEW BUSINESS
 - A. President's Report: Stephen Raab, **Exhibit B**
 - 1. General Manager recruitment

 - B. Operations Committee Update: Herb Faling, **Exhibit C**
 - 1. Verizon endpoint replacement

 - C. Legal & Governance Committee Update: Stan Weiner, **Exhibit D**
 - 1. Pending Lawsuit

 - D. Sustainability Committee Update: Stephen Raab, **Exhibit E**

 - E. Finance Committee Update: Steven Miller, **Exhibit F**
 - 1. CY23 Budget
 - 2. End-of-year Financial Summary
 - 3. Reserve PolicyContact Steve Miller (smiller@lcwatercoop.com) for copies of these items.

- IV. ADJOURNMENT



Las Campanas Water Cooperative

SANTA FE, NEW MEXICO

QUARTERLY BOARD MEETING MINUTES

October 11, 2022

Directors Present: Stephen Raab, President
Steven Miller, Vice President
Herb Failing, Director
Stan Weiner, Director
Ben Lee, Director
David Richardson, Director
James Dark, Director

Also Present: Bryan Romero, Consultant to Las Campanas Water Cooperative
Erykah Vigil, Executive Business Administrator
Nicholas Schiavo, General Manager

I. CALL TO ORDER

The open session meeting of the Board of Directors of the Las Campanas Water Cooperative (“Co-Op”) was called to order by Board President, Stephen Raab with a quorum present at 8:35 am on October 11 2022 at The Las Campanas Water Cooperative Office.

II. OPERATIONS:

- **A motion to accept the final Molzen – Corben contract was made by Director Richardson, and was Seconded by Director Faling, all were in favor none opposed.**

ACTION ITEM:

Review the Beacon and Baker Utility contract for gaurentees with product, and warranty on equipment.

- **A motion to approve task order #1: to have Molzen-Corben investigate and offer suggestions for the review of the three large effluent pumps located at the plant. Task order #2: request a quote also from Molzen-Corben for the winterization of the mechanical portion of the headworks bar screen (note: it has been freezing during the winter months). As an alternative, request that a portion of the head works be redesigned/modernized (note: the mechanical portion of the headworks is nearing the end of its useable life) to work optimally and not be susceptible to freezing, was made by Director Lee amd was Seconded by Director Faling, all were in favor none opposed.**



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III. FINANCE:

- A motion to accept the proposal to discontinue fees for payments made via invoice cloud was made by Director Faling, and was Seconded by Director Weiner, all were in favor none opposed.
- A motion was made to accept the 2022 Jacobs "draft" proposal (as is with the 7.08% increased rate) was made by Director Faling, and was Seconded by Director Weiner, all were in favor none were opposed.
- A motion to accept the Capital Investment budget for 2023 was made by Director Miller and Seconded by Director Faling, all were in favor none were opposed.
- A motion to allow Finance committee to adjust budget semi-annually subject to board approval was made by Director Miller and seconded by director Faling, all were in favor none were opposed.

ACTION ITEM:

The Board of Directors has tasked General Manager Nicholas Schiavo with the duty of informing Jacobs that Las Campanas has accepted their draft proposal.

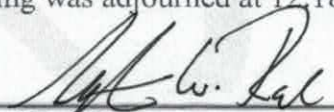
- A motion to authorize the Board to send the 2021 Audit to CRI for review was made by Director Weiner, and was Seconded by Director Faling, all were in favor none opposed.

IV. LEGAL & GOVERNANCE:

- A motion was made to adopt a Board Policy that builders, Developers, and Non-Residential entities are treated as owners was made by Director Lee, and was Seconded by Director Richardson all were in favor none were opposed.

V. ADJOURNMENT

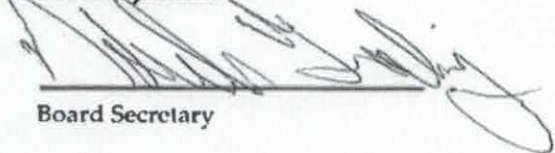
The meeting was adjourned at 12:18 p.m.



 Board President

2/9/2023

 Date



 Board Secretary

2/1/22

 Date

Exhibit B



Las Campanas Water Cooperative

SANTA FE, NEW MEXICO

Q1 President's Report – Stephen Raab, Board President

January 19, 2023

On behalf of Las Campanas Water Cooperative's ("Water Co-op") Board of Directors and staff I wish our community a healthy and happy New Year.

I am happy to report that the Water Co-op's staff and four core Committees met their goals & objectives in 2022. Bryan Romero, our Operations' Manager, and Erykah Vigil, our Executive Program Facilitator, continue to support our efforts as a small, very talented, and dedicated team. Nick Schiavo, our General Manager, was a very valuable member of the Water Co-op team. Unfortunately, Nick resigned in December 2022 to accept a once-in-a-lifetime opportunity to work for an engineering company in Spain which will require him to work throughout Europe. In support of our efforts, we also have four well-staffed committees which are chaired by Board members. The Operations Committee is chaired by Ben Lee, the Finance Committee is chaired by Steve Miller, our Legal & Governance Committee is chaired by Stan Weiner and I continue to chair the Sustainability Committee. Committee members are listed on our website. Each committee provides a report on their year-to-date efforts and significant goals & objectives for the balance of the year.

Following Nick's resignation, we immediately began to recruit for a new General Manager. We have identified four very strong candidates. The Board's Executive Committee completed the first-round interviews. The second round of interviews will begin shortly and we expect to make an offer to the successful candidate by early February. All four candidates have the skills needed to manage the Water Coop.

The Operations Committee continued to refine our operations & maintenance effort with their continued emphasis on providing a high quality, cost-effective program. A few of their accomplishments in 2022 include retaining a contractor to respond to emergencies 7/24, pursuing the option of powering our treatment plant with solar power, and addressing the technical challenges of our systems which monitor water usage and leak data. A few of the Finance Committee's key accomplishments include revising our Reserved Policy, careful management of our budget which achieved a 2022 net positive income of \$113, 624, and the development, refinement and Board approval of the 2023 budget. The Legal & Governance Committee's primary focus on 2022 was to support the Executive Committee's revision of the Water Co-op's policies and procedures. In addition, the Legal & Governance Committee's chair focused on coordinating the defense of the lawsuit filed by Kim Visser-Weinmann, the former General Manager of the Water Co-op.





Las Campanas Water Cooperative

SANTA FE, NEW MEXICO

The Sustainability Committee is moving forward with the Water Co-op sustainability efforts but also working with the Las Campanas HOA and Club to coordinate a communitywide Sustainability Committee.

We had above average rainfall in the summer of 2022 but the drought in the southwest is far from over. As of the week of January 17, 2023, 93% of New Mexico is considered as either abnormally dry or in a drought. An abnormally dry rating produces low soil moisture and an increase in fire danger. As you ratchet up the drought severity scale ranchers are forced to sell of livestock and irrigated crops are stunted and fire danger quickly move to an extreme danger classification. The Water Co-op will continue to address the draught through education, technology and programs which promote the responsible use of our water resources.

In closing, I want to thank our staff, the Board members and the community representatives who sit on our committees for their hard work and dedication in 2022 and I look forward to working with the team in 2023. Please do not hesitate to contact the Board if you have any questions or concerns. We can be reached at Board@lcwatercoop.com. If you wish to contact me directly you can email me at SRaab@lcwatercoop.com. I check my Water Coop emails at least once per day.

Sincerely, Stephen Raab



Report of the Operations Committee

January 19, 2023

Committee members:

Ben Lee (Chair)
Herb Faling
James Dark
David Richardson
Shawn McCoy

The Operations Committee of the Las Campanas Water Cooperative is charged with ensuring that the residents have a reliable supply of clean, safe water, and an effective system for handling sewage. To date, our system has been operating well, largely thanks to the steady work of our Operations Manager, Bryan Romero and the team of Jacobs Engineering. Nevertheless, we continue to look for ways to improve our system in order to avert any potential problems and to improve the efficiency of our operations. Among the activities of the Operations committee are as follows:

1. Water usage data is normally digitally transmitted from the individual water meters to our office by means of the AT&T cell phone system. Some of the transmission devices on water meters have not been able to digitally communicate with our main office or through the Eye on Water app, hence requiring that these meters must be read manually. One of the reasons for the non-communication of these transmission devices is that some have proven to be defective and we are in the process of replacing such items. Secondly, these transmission devices rely on the cell phone communication of AT&T which, as many of you know, has not proven to be reliable in some areas of our community. Devices in such areas will be replaced by those that are compatible with Verizon communication. As you might be aware, Verizon has installed a new tower, so that in the future the current communication problems will be alleviated.
2. We have signed a contract with SubSurface Contracting to provide emergency repair services for our systems. We have established unit prices for specific functions. As a result, we expect that any emergency service will be handled in a quick manner without us worrying about having to seek out a contractor.
3. We have signed a contract with Molzen -Corbin for “on-call” supply of projects engineering services. As such, we will be able to react to any requirements for major repairs or upgrades without having to evaluate individual engineering companies
4. Previously we had considered the implementation of solar panels in our sewage facilities. Although we recognize the need to be ecologically responsible, it has been determined that building of a solar panel array would not be economically feasible. Therefore, we are evaluating ways of entering into “Community solar” agreements with other institutions. Research into this matter will be carried out by our incoming GM.

5. We have continued our work in implementing the initial phase of the SCADA (Supervisory control and data acquisition) project which is a system to allow our operations personnel to digitally view our operations and see where potential problems might occur.
6. Our drinking water facilities have been assessed and tested by the New Mexico Department of the Environment and, as in the past, we have successfully passed all testing. Our members can now be reassured that their drinking water remains safe and of the highest quality as always.

Exhibit D

LAS CAMPANAS WATER & SEWER COOPERATIVE LEGAL AND GOVERNANCE COMMITTEE REPORT

JANUARY 19, 2023

The Committee's primary responsibility is, together with staff and outside legal counsel, to review proposed contracts, purchase orders and related documents that arise in the day-to-day operation of the Co-op.

The Committee has also undertaken the following additional major projects:

1. **Review of Policies and Procedures.** The Co-op's Executive Committee is engaged in a review of previously adopted Policies and Procedures, including those that relate to personnel. The Committee is assisting the Executive Committee in this process.
2. **Coordination of Defense of Lawsuit Filed by Former General Manager.** As previously communicated to the Members, in October 2022, the Co-op's former General Manager, Kim Visser-Weinmann, filed a lawsuit in state court in Santa Fe County against the Co-op and certain current and former Board members. The lawsuit alleged various claims concerning her termination of employment in October 2021 and related matters. The Co-op has tendered the lawsuit to its insurance carrier, which retained counsel to defend the Co-op and other defendants. In December 2022, defense counsel retained by the insurance carrier filed a response to the lawsuit which denied all material allegations. No further proceedings in the lawsuit have occurred to date, although the attorney for Ms. Visser-Weinmann and counsel retained by the Co-op's insurance carrier have had preliminary discussions about whether there is the potential to engage in efforts to pursue an early resolution of the lawsuit.

The Co-op's insurance policy has a zero-dollar deductible for defense of this lawsuit, and the policy is not a standalone employment practices policy but is one of multiple lines of the Co-op's overall commercial liability policy. For these reasons, the Co-op does not anticipate that the lawsuit will be incurring any costs relating to defense of the lawsuit.

The Board continues to believe that the lawsuit is wholly without merit and that Ms. Visser-Weinmann was appropriately terminated for cause but has no objection to efforts by the insurance carrier to explore the opportunity for an early resolution of the lawsuit on reasonable terms.

Exhibit E

Las Campanas Sustainability Committee Update

January 19, 2023

The Las Campanas Water Cooperative (“Water Co-op”) continued to move forward with a two-part approach to advancing our sustainability program. We re-introduced the Water Co-op’s Sustainability Committee (“Committee”) in April, 2022 and, in addition, the Water Co-op is working with the HOA and Club to form a single, communitywide Las Campanas Sustainability Committee (“LC Sustainability Committee”).

The Water Co-op Committee will meet, at a minimum, on a quarterly basis. The Co-op’s Committee will be comprised of three Board members, the Co-op’s General Manager and four Committee members from the Las Campanas community. The Committee will have a formal set of goals & objectives and will provide the community with updates that will be included in the Co-op’s quarterly newsletters.

The LC Sustainability Committee’s primary goal will be to advance conservation and water-conscious landscaping programs through education (both class room and online training). In addition, we will track regulations so that we can meet our exceed water conservation requirements and guidelines. The community-wide effort will be coordinated by each of the respective Boards. The goals for the community-wide effort will be to better coordinate a Las Campanas sustainability effort across all three Boards, track local, county and state regulations and mandates, improve communications on our collective sustainability efforts and hopefully produce a community sustainability report that can be shared with home owners, real estate agents, builders & developers and agencies.

The Water Co-op Committee does have two open seats for community members. Please contact Stephen Raab at SRaab@lcwatercoop.com.

EXHIBIT F

Finance Committee 4th Quarter CY22 Report

Committee Members:

Steve Miller (Chairperson)
Herb Faling
James Dark
Janet Duncan

- CY23 Co-op Budget (refer to separate handout)
 - Completed 2023 budget and gained Board approval
 - Based on actuals vice projections from previous budgets

- End-of-year Financial Summary (refer to separate handout)
 - EoY actuals = \$113,624 net positive income
 - Water LoB operated at a loss of **\$6,506**
 - Sewer LoB operated at a profit of \$120,129

- Reserve Policy
 - The Board has adopted an updated Policy that contains the following changes:
 - Combined “Operational Reserves” with “Capital Reserves” into a single reserve category
 - Eliminated the \$5,000 threshold to qualify as a reserve expense
 - Clarified the distinction between Capital and Operating Expenses and defined allowable Capital Expenses
 - Changes applied to the CY23 Budget

- Eliminated the service charge for electronic and credit card payments in 2023

- Future endeavors
 - CY22 Audit, expected to commence in February
 - CY23 rate adjustments (to be implemented July 2023)