



Las Campanas Water Cooperative
SANTA FE, NEW MEXICO

Finance Committee Meeting Minutes
January 15, 2020 / 9:30 A.M.

Members Present: Jack Keely, Committee Chair
Ginny Selvin
Barbara Shoemaker
James Lightfoot

Members Not Present: Ken Kirk

Also, Present: Stephen Raab
Kim Visser-Weinmann, General Manager
Linda Spingler
Heather Roybal, Customer Support Manager

1. Reserves (Linda)

The Committee agreed the reserves limit should be kept at \$5m.

2. 2020 Budget and 2019 Forecast (Linda)

- Expense review
- 2020 Revenue estimate
- Board Mtg – open session presentation – who, what, etc.

Kim requested a motion to recommend approval to the Board of Directors from the Finance Committee approving the budget. Ginny moved to approve the 2020 budget; Steve Raab seconded the motion. Barbara requested a stipulation that the sewer rate increase covers all sewer operating expenses.

3. Billing Outsourcing (Printing and Mailing) (Kim)

Heather reached out to three local companies for bids to outsource the printing and mailing of the billing, and Postal Pro's was the lowest bid. The Co-op will save over \$6,000 annually outsourcing the billing. It will also

free more of Heather's time up to take continuing education classes. The Committee agreed to outsourcing and will recommend for Board approval.

4. GRT Update and Discussion (Kim)

Chip Monday reached out to Kim via email regarding the GRT bill, and Kim forwarded the email to Seth Fullerton for his legal opinion. Seth's position on the GRT matter is as follows:

"It's my position that the taxpayer, in his case the LCOA, is responsible for the collection and payment of all GRT to the State of New Mexico. Therefore, since the LCOA failed to collect GRT and had no contract with the Co-op for the payment of GRT, the responsibility for payment lies solely with the LCOA. I don't see viable argument under which an entity (LCOA) without a contract, can seek past GRT from a customer (Co-op)."

Kim forwarded Seth's opinion to Chip Monday, who then responded by saying they are "not requiring payment. We are requesting it and feel it is reasonable in our symbiotic relationships. Your choice."

Steve Raab and Jack Keely will request a meeting with Bill Butler and Jack Campbell to discuss after Kim provides all expenses the Co-op has paid to date since separating from the Homeowner's Association since the separation took place last year.

5. Rate Model (Bryan)

After discussing the results of the Rate Model, the water rates will need to be increased 10% each year over the next 5 years, while the sewer rates will need to increase 14% each year over the next 5 years.