

RW&SD MEETING MINUTES

MAY 7TH, 2024

May 7th, 2024, Ramah Water & Sanitation District regular board meeting called to order by Board Chairman Robert Montague at 7:12pm.

Board Members present: Robert Montague, Whitney River, Michael Croley, Blanche Clawson is on her way to meeting, Shawna Grassie is absent.

Flint Tietjen led Pledge of Allegiance

Whitney River offered opening prayer

***Whitney River makes a motion to accept the April meeting minutes as written. Michael Croley seconded the motion. Board chairman called for a vote, all in favor said aye. Motion passed unanimously.**

Beginning of regular board meeting, the auditor that RW&SD hired to complete their FY23 independent accountant's report on applying agreed-upon procedures, Manning Accounting and consulting Services, LLC, Bye Manning, gives the board and community members present an overview of the accounting report and the findings for FY23 on a video call using google meets. If any customers would like to view the report or receive a digital copy of the report, please contact RW&SD office through email at ramahwaterdistrict@gmail.com or call the office at (505)783-4018 Tues, Wed or Friday from 9am-5pm to make that request.

RW&SD Board members and employees are working diligently to become compliant with the state regulations and requirements for keeping our accounting records and submitting our budgets and quarterly reports to the state DFA in a timely manner. We are a small district, and the board understands that compliance with these regulations will help build trust with our community members, assure transparency, and also help the district qualify for possible funding for making improvements in the community.

Blanche Clawson showed up to the meeting while the accountant was giving the overview.

After the accountant's overview was completed, Angelina Grey with the Council of Government, spoke to board members and community members present on a video call through google meets.

Angelina has been helping RW&SD with our ICIP (Infrastructure Capital Improvement Plan). Each year we need to update the ICIP and the board votes to approve the update with a resolution. An ICIP is not a funding program, it helps the district have a plan for projects in place and to possibly help the district qualify for funding, like the planning grant that we are currently asking the Water Trust Board for. Angelina also mentioned the ICIP is needed if the Board wishes to ask for capital outlay funding. Angelina asked the board if there are any areas in the community that they want to add to the ICIP. Board members suggest adding the bridge on North Bloomfield that goes over the Ramah Lake overflow. That bridge is owned by the county, and it gets a lot of local traffic. Angelina asked if we had any updates on our Water Trust Board Application. Board chairman answered saying we let them know when RW&SD's FY23 audit was completed and we were in regular contact with DePauli in Gallup, we are still waiting on the PER (preliminary engineering report) from DePauli to be completed. Angelina answered some questions from the board and let us know of trainings that were coming up. Angelina reminded board deadline for ICIP paperwork and resolution is June 14th, 2024, she said she will update any project costs and add the bridge project as well. If any community member wants to see the current ICIP, please email the office at ramahwaterdistrict@gmail.com or call the office at (505)783-4018 to request a copy.

Board Chairman changes the order on the agenda to get to a community member that had a question on the agenda addressed sooner. No board members object to the change in order of the agenda. Martine Romine addresses the board. Martine explains to the board that Zuni Public School District is at the beginning stages of several construction projects, building a

new school, new football field, new teacherages and a new athletic complex. The construction company was initially quoted that Zuni Tribe would sell them water for the construction project at \$6 dollars per 1000 gallons, then the amount Zuni wanted to charge changed to \$100 per 1,000 gallons. Martine Romine's request to RW&SD, is if anyone else in the area is willing to sell water at a cheaper price.

Board chairman says the issue with RW&SD selling water to a construction company or contractor is that RW&SD is limited as to how many acres per foot of water we are allowed to sell to our own already established residents and community members, because of the adjudication with the Zuni Indian Tribe and Navajo Nation concerning the Zuni River Basin and that adjudication limits how many millions of gallons RW&SD can use per year. The board chairman's concern is that selling water to the construction company/contractors that are building the Zuni school projects would put us over the amount of water we are allowed each year.

The Board discusses how much water RW&SD is allowed each year and how much we use as a district each year already. The board asks does the construction company knows how many gallons of water they will need over the span of the next 3 years. They estimate they will need approximately 3 million gallons over the next 3 years. Board members discuss options, the possibility of the construction company purchasing from a private community member that owns a pond and pumping the water they need from that pond. Board members want to get more clarification on how much the district is allowed each year through the adjudication and then address the possibility of selling water at a future meeting. The operator says when we did sell water in the past to the county that we charged \$18 per 1,000 gallons. The board also suggests that the construction company might address the Ramah Land and Irrigation Board and ask if they might be willing to sell water. Martine Romine says thank you and he will take that information to the contract company.

Board members look over an asset inventory list, that includes movable (equipment, vehicles) assets worth over \$5,000. That list includes 1997 Ford F800 bucket truck resale value approx. \$5,700, 1991 Case Backhoe approx. resale value \$10,000 and 2009 Ford F250 the company truck approx. resale value \$7,447.

***Blanche Clawson makes a motion to accept the RW&SD asset inventory list. Michael Croley seconded the motion. Board Chairman called for a vote, all in favor said Aye. Motion passed unanimously.**

Board discusses changing the regular monthly meetings to a different day of the week/month. Board Chairman brings to the attention of the board there are trainings offered on the first Tuesday of the month and because they are scheduled at the same time as our regular board meetings, we haven't been able to take advantage of those trainings. Board members suggest the 2nd Tuesday of the month.

***Whitney River makes a motion to move the regular RW&SD Board monthly meeting from the 1st Tuesday of the month to the 2nd Tuesday of the month. Michael Croley seconds the motion. Board Chairman calls for a vote. All board members present voted to pass the motion. The motion carried unanimously.**

Board members ask the secretary to announce the change on the website and the secretary will put the announcement on the monthly bill as well.

***Blanche Clawson makes a motion to accept the ICIP resolution 2024-5-1. Whitney River seconded the motion. All in favor said Aye. Motion passed unanimously.**

The board discusses the preliminary budget for FY25, that needs to be approved and voted on during the meeting. The secretary explains she changed some of the categories to match the categories that RW&SD uses to submit our budget and quarterly reports. The secretary asks if the board wants to budget any amount for purchasing any land. Board Chairman asks if

we have projects we want to do in the future, how would we budget wanting to spend money from savings account.

The board decides RW&SD doesn't need to budget land acquisition money for FY25. Board discusses wanting to spend more money on the DOT project L600204 to put at least 6 inches of millings on the roads and would need to spend more RW&SD money to get enough millings to build it up to 6 inches, instead of just putting 3 inches of millings. DOT gave us a grant of \$19,655 RW&SD already has set aside our 25% of this project of 6,551.75. We have gotten quotes and getting millings from C&E will be the best option. We plan to put 6 culverts in that area and meet to discuss more specific numbers as far as ordering chunky millings. We have someone who can do the grader work and we can rent a compactor to compact the millings. Board chairman says he would like to put more money into the project and do it right and have those roads last longer. Next year we will not receive any DOT funding. Next year we will be able to put in to apply to get funding for DOT projects for the following year. DOT didn't offer us the chance to ask for projects this year, because the 2 projects we have were delayed for several years and DOT wants us to complete the projects we have. RW&SD plans to put chunky millings on Davis St, Asay Court and Fiesta Dr. We haven't gotten a quote yet on how much it would cost to spray the millings once they are compacted, if that is something the board wants to do.

Whitney River makes a motion to release an additional funds up to \$15,000 from RW&SD savings account for the DOT project working on Davis St., Asay Ct, and Fiesta Dr. for the project to be completed to good specifications and the roads to last longer. Michael Croley seconds the motion. Board Chairman asks for vote. All board members present vote to pass the motion unanimously.

Board discusses how to properly report DOT project revenue and expenses to the state. The secretary will talk to our budget analyst and find out how to properly report our DOT project revenue and expenditure. The board discusses adding more to the budget for the repairs and maintenance of the

company truck that the operator drives. Board member asks if there is a way to set aside funds in the budget for big expenses. The Board asks the operator about the regular testing of the water and sewage that we need to do and if the costs have increased. We added more to the testing category. The board wants to increase the furniture and equipment non-capital category. The board wants to increase the equipment and machinery category as well. Board increases Water, sewage, and district maintenance supplies. The board looks over all budget categories and whether they feel all of those budgeted amounts are allocated correctly. The board wants to add more to the employee training category and employee travel expenses. The board wants to budget if we send someone to visit the legislature on our behalf or send an employee for training out of town.

***Whitney River makes a motion to accept Resolution 2024-5-2 FY25 budget. Blanche Clawson seconded the motion. All in favor said aye. Motion carries unanimously.**

If any customer wants a copy of the preliminary budget that we are submitting to the state, please email or call the district office.

Board discusses driver safety policy that needs to be in place for our general liability insurance purposes. Michael Croley presents a rough draft of the driver safety policy to the board for discussion.

***Whitney River makes a motion to accept the Ramah Driver Safety Policy. Michael Croley seconded the motion. Motion carried unanimously.**

The board discusses that RW&SD doesn't have any judicial or jurisdictional capacity as far as regulating people burning in town. The board acknowledges that it is important for residents to use caution and safety when burning and residents should contact the proper regulatory authority/government agency concerning requesting burn permits and determine whether there is a burn ban in affect at the time for McKinley County.

The board discusses raising base water and base sewage rates for customers. One board member feels we need to show the state that we are

bringing in more money to possibly try to get funding for projects, and that board member thinks rates have been stagnant for a while, when the prices of supplies and fuels have gone up. A Board member suggested raising the base rate for water and sewage by 10%. Another Board member suggests that RW&SD's current water rates are already high compared to some other cities/districts like Gallup, Zuni, and Grants. There is a discussion of how other cities are incorporated and have taxes collected to help offset their water and sewage rates. Board member asks what is the downside to RW&SD becoming incorporated? Another Board member says we do not have a tax base of enough businesses in the district to incorporate. The Family Dollar in town is not a part of RW&SD's service area. Another Board member relays how high the current rates are for RW&SD, understanding that RW&SD needs money for projects, but raising rates might not be the best way. Community members suggest that the board could do more, asking the county, state legislatures, and senators to invest money in this area. A board member mentions that when they have spoken with legislators, the legislators ask if RW&SD is incorporated, and when they answer we are not, the legislators say that is a problem as far as getting grants and funding to help the district. Also discussed is how complicated grants applications are, and that most companies/governments pay and hire a specific person who does their grant writing for them.

Board discusses, are there ways for the district to raise money without raising rates. The board discusses communities' members concerns about raising rates and the past issues with RW&SD managing money properly. The board acknowledges the past issues RW&SD had with money management and that RW&SD has worked diligently to become transparent, compliant and straighten out and clear up all the past money management issues.

Board members suggest tabling the issue. Community members suggest finding comparative water, sewage, and maintenance rates in the area. San Rafael would be a good comparison. It is suggested that Bluewater is not a good comparison. The board discusses if we show progress and improvements to the community then it will make more sense to community

members if we raised rates. The board discusses that we do not make much money on trash pick-up and the transfer station, what we bring in, pays for the dumpster haul fees and the payroll hours used in that area.

If selling water to a contractor were a way to help RW&SD increase revenues is brought up and there is more discussion concerning the adjudication with the Zuni Tribe and how much water RW&SD is allowed to use in that adjudication.

Board member wants to table raising water and sewage base rates until we have more specific comparisons on other base water, base sewage, and maintenance rates in surrounding unincorporated areas and the board seriously considers what other options RW&SD might have for raising money besides raising rates. A couple of ideas suggested, holding a 5K in the area, a bike ride, a tree sale to raise money.

The board discusses there are rules and regulations concerning receiving monetary donations for the district.

The issue of raising base water and base sewage rates is tabled until the August 2024 monthly board meeting.

Board Chairman asks if there is anything else that needs to be done during the meeting. The secretary says there are some signatures needed on paperwork. Board Chairman says they can adjourn the meeting and then they will sign what needs to be signed.

***Whitney River makes a motion to adjourn the meeting at 9:29pm May 7th, 2024. Michael Croley seconded the motion. Board Chairman called for a vote. All in favor said Aye. Motion passed unanimously.**

After the meeting was adjourned. Board members Bob Montague and Blanche Clawson opened sealed bids for the 1988 Dodge truck, the Secretary Michele L. Macias witnessed. The winning bid was determined, and the secretary will notify the winning bidder.

