

AWSD Monthly Board of Directors Meeting Transcript

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The **AWSD** Board of Directors met to discuss the results of a water and sewer rate study conducted by **Moles and Corbin**.

Rate Study Analysis

Robert presented findings from a three-year data analysis conducted under **Jerry Paz's** supervision to determine necessary rate adjustments. The study aims to ensure utility systems management, recover actual operational and maintenance costs, and fund future capital improvements through the **ICIP** document filed with the state of New Mexico.

Key financial considerations include:

- Managing debt service and establishing reserve funds for unanticipated large expenses.
- Addressing increased construction costs that have remained at elevated post-COVID levels.
- Mitigating rising costs for petroleum-based products like **PVC** pipe and diesel fuel.
- Maintaining competitive salaries and benefits to retain skilled personnel in a market where they can easily find work in nearby cities like **Las Cruces**.

Water Management

The discussion turned toward environmental challenges and long-term resource sustainability. **Speaker 4** noted that while current wells are set at approximately 400 feet and the water table is roughly 120 feet deep, drought conditions remain a concern.

Resource concerns addressed:

- Competition for water resources between the district, local farmers, and growing industries.
- The impact of declining water tables on long-term supply stability.
- The role of water rights in determining pumping priority during shortages.
- The necessity of maintaining infrastructure readiness for future community growth.

Future Outlook

The board discussed how to communicate these changes to the public via upcoming hearings. While current rates are accurate for today's needs, they do not account for future inflation or shifting resource availability.

Unresolved questions include:

- How will the district most effectively educate customers when they question significant bill increases?
- What specific rate increase options will be proposed by engineers after their final review?

Action Items

Outline

Meeting Call to Order

- Speaker 2 called the AWSD Monthly Board of Directors meeting to order on October 20.
- The board conducted a roll call and performed the Pledge of Allegiance.
- The board reviewed and approved the minutes from the August 18 meeting.
- The agenda for the current meeting was presented and reviewed by the attendees.

Water and Sewer Rate Study

- Robert Coleman presented a rate study conducted by Moles and Corbin under the supervision of Jerry Paz.
- The study utilized three years of baseline data, including water usage, payment criteria, budgets, audits, and capital improvement plans.
- The primary objectives of the study are to promote utility system management, recover actual operation and maintenance costs, and support future planning efforts.
- Robert Coleman emphasized that maintaining reserve funds is a management responsibility to cover unanticipated or large anticipated expenses like debt service.

Economic Factors Influencing Rates

- Robert Coleman explained that construction costs have remained high at post-COVID levels, affecting materials like plastic pipe and petroleum-based products.
- Personnel costs represent nearly 50% of the \$4.2 million budget, necessitating competitive salaries and benefits to retain skilled staff.
- Rising fuel and transportation costs contribute significantly to the overall increase in operational expenses.
- The board discussed how these rising costs are distributed across the customer base to ensure the district remains financially stable.

Water Supply and Resource Management

- Speaker 4 addressed concerns regarding the declining water table, noting that current pumps are set at 400 feet while wells reach 750 feet.
- The discussion covered the impact of drought and competition for water with farmers and other industries.
- The board discussed how state water rights determine pumping priority during shortages, typically favoring older rights over junior rights.
- Robert Coleman noted that the current rate structure includes built-in conservation measures by charging higher premiums for increased usage.