

Pinos Altos Mutual Domestic Water Consumers Association

Special Board Meeting Minutes-DRAFT

1. Call to Order and Quorum

The Special Meeting of the Board of Directors of the Pinos Altos Mutual Domestic Water Consumers Association (PAMDWCA) was called to order at **6:00 pm on August 13, 2026**, with the full Board present. A quorum was confirmed.

The following were in attendance;

Tom Gedgaudas, President

Gabriel Sanchez Preusch, Vice President

Paul Raleigh, Treasurer

Michael Sheffer, Secretary

Bruce Fahrlender, Member-at-Large

April Matthews, Bookkeeper

Linda Davila, Meter Reader

The public sign-up sheet was reviewed. No members of the public had signed up to participate, and public sign-up was closed.

The meeting was recorded for purposes of preparing the official minutes.

2. Approval of Agenda

The Board reviewed the agenda for the Special Board Meeting.

A motion was made to approve the agenda as presented. The motion was seconded.

Vote:

All members present voted in favor. There were no opposed votes.

Motion carried.**3. Approval of Previous Meeting Minutes**

The Board agreed to table approval of the July minutes until the September regular meeting.

4. Public Input

No members of the public signed up to provide comments.

No public input was received.

5. New Business**Discussion and Potential Approval of Stantec Preliminary Engineering Report Proposal**

The Board conducted an extensive review and discussion of Stantec's proposal to prepare a Preliminary Engineering Report (PER) for the Association's water system.

A. Overall Cost of the Proposed PER

Board members expressed significant concern regarding the approximately **\$236,000 proposed cost**, exclusive of any applicable gross receipts tax or related charges.

Members compared the proposal with information previously provided to the Association during a 2024 funding presentation by Michael Montoya of the State of New Mexico. At that time, the Board understood that a typical PER for a small water system might cost approximately **\$40,000 to \$50,000**.

Additional information reviewed by Board members suggested that PER costs for smaller New Mexico systems may generally be substantially below the amount quoted by Stantec.

The Board noted that PAMDWCA is a comparatively small water system, consisting of approximately:

- 140–142 meters/connections;
- approximately 4.5–5 miles of water lines; and
- relatively limited anticipated growth.

Board members questioned why a PER for a system of this size would cost approximately \$236,000 and whether the proposed scope was unnecessarily extensive.

There was broad agreement that **the proposed cost was substantially higher than the Board expected for a PER alone.**

B. Proposed One-Year Schedule

The Board also questioned Stantec's proposed schedule of approximately **12 months to complete the PER.**

Members expressed concern that the Association currently has significant water-loss and leakage problems and cannot reasonably wait a full year simply to complete the engineering report before beginning corrective work.

The Board indicated that a substantially shorter schedule would be preferable if a PER is ultimately required.

C. Scope of Work and Excluded Services

Particular concern was raised regarding services specifically excluded from Stantec's proposal.

The Board discussed language stating that Stantec would review approximately three years of water-loss records but that:

- leak detection and other methods of determining physical water loss were excluded;

- a topographic field survey of system components was excluded;
- surveying of valves and meters was excluded; and
- the proposed system map would apparently be supplied as a PDF rather than as an easily editable system-management tool.

Board members emphasized that **identifying and correcting leaks is one of the Association's primary objectives.**

The Board agreed that any revised scope should more directly address the Association's actual operational needs.

D. System Improvements the Association Is Seeking

During the discussion, the Board identified several principal infrastructure concerns and objectives.

These include:

- identifying sources and locations of water loss;
- replacing aging service lines from the water main to Association meters where appropriate;
- replacing aging meters;
- evaluating meter boxes, fittings, restrictors, valves, and related components;
- ensuring that future installation work complies with current codes and standards;
- reviewing the condition of the distribution mains where appropriate;
- ensuring proper bedding and installation practices for replacement infrastructure; and
- creating an accurate and maintainable map/database of the water system.

The Board noted that the distribution mains themselves have not historically experienced the same frequency of failures as service lines. Accordingly, wholesale replacement of the mains may not be necessary unless engineering evaluation indicates otherwise.

E. Mapping and System Records

The Board discussed deficiencies with the Association's current mapping system.

Members indicated that an updated map should use coordinates that can easily be used with modern GPS-enabled devices and should be provided in a format that the Association can update as system components change.

In addition to a map, the Board expressed interest in receiving meter and infrastructure information in an editable format, such as a spreadsheet or similar database, containing information such as:

- meter identification;
- service address;
- location coordinates;
- valve locations;
- service-line information; and
- other relevant system attributes.

The Board stated that a PDF-only map would have limited usefulness for ongoing system management.

F. Availability of Planning and PER Funding

The Board discussed funding programs available through the New Mexico Finance Authority and other state and federal sources.

Board members recalled that planning grants were previously limited to approximately \$50,000. More recent documentation reviewed by the Board appeared to indicate a planning-funding limit of approximately **\$60,000 for systems with fewer than 250 connections.**

The Board agreed that this funding limit must be verified.

A principal concern was that, if only approximately \$60,000 of the \$236,000 PER cost were eligible for planning assistance, the Association could potentially be responsible for approximately \$176,000 or more in additional costs.

The Board indicated that this would not be acceptable without considerably more information and justification.

The Board's preference is to obtain **grant funding for both the planning/engineering process and eventual infrastructure improvements while minimizing the use of Association reserves.**

Members also discussed other possible funding sources, including Community Development Block Grant or similar programs and other state and federal programs.

G. PER Requirement for Future Grants

The Board recognized that a PER or equivalent engineering document will probably be required before the Association can qualify for many state or federal infrastructure grants.

The Association has previously taken steps to bring required audits and financial reporting into compliance specifically so it would be eligible to seek infrastructure funding.

Consequently, the Board does not intend simply to abandon the engineering process. Rather, it intends to determine:

1. whether a full PER is required for the contemplated work;
2. whether a less costly scope could satisfy funding requirements;
3. whether other state-approved planning mechanisms are available;
4. whether the PER can be fully or substantially grant-funded; and
5. whether the Stantec proposal can be substantially revised in cost, scope, and schedule.

H. Direct Replacement as an Alternative

The Board discussed obtaining estimates for directly replacing service lines, meters, and related infrastructure without first undertaking a \$236,000 PER.

One alternative discussed was completing improvements incrementally over several years—for example, replacing approximately 25 service lines and meters annually and incorporating those costs into the Association's yearly budget.

The Board emphasized that obtaining contractor estimates at this stage would be for **planning and comparison purposes** and that formal procurement requirements, bidding requirements, purchase-order procedures, and grant-related requirements would need to be followed before work could be awarded.

Members specifically cautioned against using one contractor's bid or proprietary proposal improperly in negotiations with competing contractors.

I. Leak Detection

The Board agreed that identifying the actual locations of leaks should be pursued independently of the PER proposal.

Members discussed various technologies and contractors capable of performing leak detection and noted that specialized equipment may be significantly less expensive than the proposed PER.

The Board also discussed the possibility of purchasing appropriate leak-detection equipment if doing so proved practical and economical.

Stantec will be asked whether it can recommend qualified leak-detection contractors or resources.

J. New Mexico Rural Water Association

The Board discussed contacting the **New Mexico Rural Water Association**, of which PAMD WCA is a member.

The organization may be able to:

- provide technical assistance;
- provide leak-detection resources;
- advise the Association regarding PER requirements;
- identify other small water systems that have recently completed similar projects;
- provide information regarding engineering costs; and
- advise the Board concerning funding strategies.

The Board considered this an important source of independent guidance because the organization specifically serves rural and small water systems.

K. New Mexico State Contacts

The Board agreed that additional guidance should be sought from knowledgeable state officials before responding to or accepting the Stantec proposal.

Potential contacts discussed included:

- Michael Montoya, who previously provided the Board with infrastructure-funding training;
- Aaron Beckworth, formerly the Association's local compliance contact and now working in Santa Fe;
- Julia Hernandez, who previously provided information concerning grant and funding programs;
- representatives associated with the New Mexico Environment Department;
- representatives of the New Mexico Finance Authority; and
- appropriate state procurement/general services personnel regarding existing engineering or professional-services contracts.

The purpose of these contacts will be to determine whether the proposal's cost and scope are typical and whether more appropriate funding or engineering alternatives are available.

L. Communication With Stantec

The Board agreed that Stantec should be contacted before any decision is made regarding the proposal.

Richard Maynes, PE will be the initial Stantec contact. Lisa Campbell may also be contacted as appropriate.

Questions to Stantec will include:

- Why does the proposed PER cost approximately \$236,000 for a system of PAMDWCA's size?
- Why is approximately one year required to complete the PER?
- Can the scope be substantially reduced?
- Can the cost be brought within available planning-grant funding?
- Will the Association be responsible for any amount exceeding the planning-grant award?
- Can leak detection be included or separately arranged?
- Can meters and valves be physically located and documented?
- Can the Association receive an editable GIS/GPS-compatible map rather than only a PDF?
- Can system information also be provided in an editable spreadsheet or database?

- Are there alternatives to a full PER that would still allow the Association to qualify for infrastructure funding?
- Will Stantec assist the Association in obtaining funding for the eventual construction project?
- Can the PER schedule be substantially accelerated?

The Board stated that if the State or another funding agency will pay the entire cost of the PER, the cost concern would be significantly reduced. However, the Board would still require revisions to ensure that the resulting work product addresses the Association's actual needs.

6. Action Items

The following assignments were identified during the meeting:

Stantec

Responsible: Paul

- Contact Richard Maynes of Stantec as the first point of contact.
- Discuss the cost, scope, exclusions, schedule, leak detection, mapping, meter/valve documentation, and funding questions.
- Contact Lisa Campbell if appropriate following discussion with Richard Maynes.
- Request information regarding leak-detection contractors or resources.

Contractor Cost Estimate

Responsible: Gabe

- Contact J&S and/or appropriate plumbing contractors.
- Obtain preliminary planning estimates for replacing Association-owned service lines from the main to the meter.
- Request pricing for replacement of meters, boxes, fittings, and associated components.
- Determine approximate costs for completing the work systemwide and/or incrementally over several years.
- Ensure that any future procurement process complies with applicable purchasing, bidding, and purchase-order requirements.

State Funding and Technical Guidance

Responsible: Tom

- Contact Aaron Beckworth regarding funding and engineering requirements.

Responsible Paul

- Contact Julia Hernandez regarding available planning and construction grants.
- Contact Michael Montoya after receiving his contact information.
- Verify whether the applicable NMFA planning assistance limit for a system of PAMD WCA's size is currently approximately **\$60,000**.
- Determine what additional state and federal programs may fund the PER and/or construction.
- Determine whether a full PER is mandatory for all potential funding sources or whether another engineering/planning process could qualify.
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New Mexico Rural Water Association

Responsible: Paul

- Contact the New Mexico Rural Water Association.
- Ask about technical assistance, PER requirements, leak detection, funding resources, and comparable projects undertaken by similar small water associations.
- Ask whether the organization can provide examples or contacts from other associations that have recently completed similar projects.
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Historical Funding Information

Responsible: Tom

- Forward the 2024 Michael Montoya funding presentation/PowerPoint to **Paul**
- Include Michael Montoya's contact information if available.

Leak Detection Contractors

Responsible: Mike

Board Communications Board members will circulate information obtained from the above contacts by email.

- Information may be shared among Board members; however, Board members acknowledged that Board decisions cannot be made outside a properly noticed public meeting.
- If action is required before the next regular meeting, another properly noticed Special Board Meeting may be scheduled.

7. Other Operational Information

The Board briefly discussed a significant recent water leak along New Mexico Highway 15.

The leak had reportedly persisted for approximately one week or longer and had increased in severity. J&S repaired the leak on the day of the meeting.

The Board noted the continuing difficulty of obtaining qualified plumbing contractors willing to perform work in the Pinos Altos area.

No separate formal action was taken on this matter.

8. Key Board Direction

The Board **did not approve the Stantec PER proposal as presented.**

The Board's consensus was that the approximately \$236,000 cost, one-year completion schedule, and exclusion of leak detection and certain field-survey activities require substantial clarification or revision before the Association should proceed. The Board will obtain additional information from Stantec, state funding officials, the New Mexico Rural Water Association, and contractors before deciding how to proceed with the PER and the Association's water-system rehabilitation project.

9. Next Meeting

The Board confirmed that the next scheduled meeting will be held on **September 16 at 6:00 p.m.**

The annual meeting will be held first and will be followed immediately by the first Board meeting of the new term. The Board will elect officers at that meeting.

10. Adjournment

A motion was made to adjourn the meeting.

The motion was seconded and passed unanimously.

Motion carried.

The meeting was adjourned at **6:48 p.m.**

Respectfully submitted,

Mike Sheffer

Secretary

Pinos Altos Mutual Domestic Water Consumers Association