

TRANQUILLO PINES WATER USERS CO-OP
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MINUTES OF TPWUC ANNUAL MEETING – August 22, 2024

Meeting called to order by the President Harvey Peel at 6:20 PM – Quorum present.

Board members present: President Harvey Peel, Secretary/Treasurer Gary Ashcraft, Board Members Carl Walker, Richard Rondeau, Guy Herner, Manager Lee Sweenhart

The meeting started late because sign-in took longer than expected.

Proof of quorum: 82 members were present

(Quorum is 20% of the membership, which is $260 \times .20 = 52$ memberships.)

Proof of notice of meeting was accepted.

President Harvey Peel presented the following information:

1. Brief overview of the history of the Cooperative since 1974
2. Described the efforts of the Board to locate new water sources and our success with the POD10 well, wellhouse, and easement, plus the Board's work on another easement that may eventually become POD11. Harvey thanked former Board Member Bruce Fetzer for moving these efforts forward.

Carl Walker presented information on why the board communicates with members on our website at tpwuc.net vs. social media and asked that members use this forum to get factual information about the cooperative and refrain from the social media turmoil. Questions for the board can be asked via email from the website and they will be answered by the board and posted on the website if of broad appeal. Carl's presentation is included and not repeated here. (See Attachment 1 below.)

Gary Ashcraft presented information on the following topics and his presentation notes are included and not repeated here (See Attachment 2 below):

- Well #7 fluoride violation
 - A member asked if the NMED would accept house filters as a solution? Where each member installs their own filter. The board will check.
 - A member noted that redrilling #8 well seemed like the best solution since it would add needed water to the system too.
 - The board will take this up again after leaks are found and repaired, since that is the highest priority.
- Water losses, leak detection, and water hauling costs
 - Gary reviewed daily losses and noted that it was unprecedented that a leak(s) of this size has not surfaced yet.
 - A member asked if theft, via an illegal tap(s) on our water line, could be part of the problem? Gary answered that it is definitely possible, and it is very difficult to detect unless someone sees them doing it. The current nighttime leak detection may reveal this, and it may not. There are still more tests to be completed.

- Financial position review
 - Gary reviewed the financial position worksheet comparing 2022 and 2023, through August 13, 2024. (The worksheet was provided at the meeting.) It shows the significant cost of water hauling in the last two months of 2023 and the first seven months of 2024, totaling \$178,779.62. And the effect it has had on the savings account.
 - The assessment has kept the Cooperative solvent.
 - The average cost per gallon has increased from three cents per gallon in 2022 to six cents per gallon now.
 - A member noted that the average cost per gallon is higher for low users and Gary acknowledged that using averages was a quick calculation that did not take into account that the base membership charges increase the cost per gallon for low users.
- Decisions that need to be made on priorities: (new business)
 - This section was reviewed and there was much discussion, but it was apparent that there was not enough time, or information available yet, to make any of these decisions. So out of respect for Terry Jones' time, the Board decided to move on with the meeting so Terry would have time to talk about his Mutual Domestic Water Consumers Association. Another meeting will be scheduled to go over these topics.

Election of Directors:

Nominations to serve on the Board of Directors were requested from the floor for the two positions that were open.

- Gary Ashcraft nominated Carl Walker for another term. This was seconded by Harvey Peel.
- Richard Rondeau nominated Gary Ashcraft for another term. This was seconded by Guy Herner.
- No other nominations were received from the floor.

Votes were cast using the provided ballots. 78 ballots were cast for the two open positions.

- 72 votes for Gary Ashcraft
- 74 votes for Carl Walker
- 2 votes for Chuck Davidson
- 1 vote for Emory Taylor

The Board announced that Lee Sweenhart, Manager TPWUC, was retiring effective 9/30/24 and thanked him for his service.

Harvey said that with Lee's retirement the Board had decided to adopt a new business model to reduce costs. The details are still being worked out, but the intent is to reduce management costs by having the Board take a more active role in the management, cut costs in internet and phone with a new provider, and reduce office space rent by as much as 50%. This will take effect on October 1st, 2024.

Rate increase vs. assessment was not discussed.

Terry Jones discussed his experiences as President of the Sierra Vista Mutual Domestic Water Consumers Association (MDWCA).

- Sierra Vista has received numerous loans and grants for system improvements since incorporating as a MDWCA in ~2006
- The key to unlocking these funds is to have a professional engineer prepare a Preliminary Engineering Report (PER), at a cost of \$50-60k. The PER is provided to funding sources to help them understand the short-term needs and the long-term improvement plan for the system.
- Terry spoke highly of the Sauder Miller & Associates (SMA) engineering firm. They prepared the PER for Sierra Vista and they have been a partner in helping him pursue funding as well as engineering the upgrades to his system.
- Terry noted that:
 - Becoming an MDWCA makes the new entity a subdivision of the state, or a “local government”, with significant responsibilities under the law.
 - Lobbying for funding becomes part of the Board’s new responsibilities.
 - Our Cooperative can be reorganized as an MDWCA if members approve. This requires that a new Certificate of Association, and new By-Laws and Rules be developed and approved by a majority vote of a quorum of members. These new documents are not very different from the Cooperatives’ current rules.
 - Becoming an MDWCA does require that all major purchases follow the state procurement process. (i.e. competitive, open bids, which can increase the amount of time and effort required for each project.) He has a project manager that spends about 16-20 hrs. a week.
 - The Open Meetings Act must be followed and documented. Transparency is important.

The Board and audience thanked Terry for the information but had to adjourn the meeting because Los Vecinos closes at 8:00 PM. There will be a follow-up meeting.

Meeting was adjourned at 8:02 PM

Attachment 1 – Carl’s notes on website vs. social media

Website vs social media presentation

August 21, 2024

The co-op has a website at TPWUC.NET. This is the Board’s and the manager’s direct means of communication to the members. This is where alerts and news articles are generated from. For the most reliable up to date information on Co-op matters please use the website to contact those with a firsthand knowledge of the operation. Information concerning leaks and repairs we have the capabilities to update information as soon as it happens in the field.

As an organization the board of directors must work hard to keep good information out to our members. If anyone has any questions concerning information on social media, we ask for you to contact us either on the phone or through the websites “Contact Us” button on the front page. The Board will not respond to comments made on social media. We really don’t want to play Telegraph.

At times media sites are an open forum for misinformation and disinformation which can spread fast. Misinformation is inaccurate information shared without any intention to cause harm. Misinformation can be shared unintentionally either due to lack of knowledge or understanding of the topic. It is often based on emotional responses. Typically, people spread misinformation unknowingly because they believe it to be true.

Disinformation is purposefully false or misleading content shared with an intent to deceive and cause harm. Be suspicious of information that elicits strong positive or negative emotions, contains extraordinary claims, speaks to your biases, or isn’t properly sourced. Before sharing content, make sure the source is reliable, and check to see if multiple sources are reporting the same info.

Misinformation and disinformation can be amplified through continuous sharing. Misinformation and disinformation can be difficult to correct. And that’s why we are all here tonight. Hopefully to open honest lines of communication with the membership and engagement at a comfortable level of involvement in the co-op. Trust is easy to destroy and hard to gain. Right now, the co-op suffers from distrust by many members from years of neglect and noncommunication. We as a board are committed to correcting this situation. Please watch our actions and report back as to how we are doing. We do not want to have blinders on and miss the many opportunities to create meaningful relationships with the co-op members. The membership needs to take some responsibility for the breakdown in trust. The last quorum for the annual meeting was 30 years ago. Who knows what might have happened if there was an engaged membership in those 30 years. Let’s look forward to building trust together.

Well #7 fluoride violation

Well #7 has had a fluoride violation since March 21, 2023. The well’s fluoride contaminant level is 4.8 mg/L vs the 4.0 mg/L maximum required.

20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.62(b)(1) and 141.23(i)(1), defines the Maximum Contaminant Level (MCL) for Fluoride as 4.0 milligrams per liter (mg/L) and states compliance with the MCL for Fluoride is determined by a Running Annual Average (RAA).

All other water quality requirements (contaminant levels) are within specifications

Public notices of this violation have been sent to each member quarterly.

The cooperative is required to respond with an engineered solution by July 31, 2025, or ask for an extension.

The board has discussed possible solutions, but has not acted yet due to other priorities:

1. Install a filter system
 - a. This solution would require pumping into a filter at less than 100psi, followed with a new booster pump to pump it into the system at ~180psi at that location.
 - b. Filters are good for 1.5M gallons or ~200-days
 - c. Requires engineering to determine cost
2. Install a reverse osmosis system
 - a. The initial research, albeit limited, indicated this would be an expensive solution for 7,000 gallons/day.
 - b. Reverse osmosis wastes water and creates a waste stream
 - c. This solution may also require pumping into the system at less than 100psi, followed with a new booster pump to pump it into the system at ~180psi at that location.
 - d. Requires engineering to determine cost
3. Install a water tank and fill it with hauled water.
 - a. Mixing to dilute the fluoride would require a minimum of 2gpm (2880gpd) to reduce fluoride level to 3.4mg/L, and 6gpm (8,600gpd) to get it down to the preferred level of 2mg/L.
 - b. This solution does not seem feasible due to the amount of hauled water required.
4. Redrill well #8 and mix it with #7
 - a. In hindsight, the problem began when well #8’s production dropped so low (0.5gpm) that it was not feasible to pump it anymore, and then its pump failed.
 - b. Well #8 was mixing with #7 in the same pumphouse since they are near each other and that’s how the system was built. (Unknowingly, well #8 was masking #7’s fluoride level.)
 - c. Redrilling well #8, and mixing it with #7, since they share the same pumphouse, is the most feasible solution and will add water to the system. Win. Win.
 - d. There is a risk that the replacement well could have fluoride too.
 - e. A price estimate for redrilling #8 has been requested.
5. Further work and price information will be gathered after the leaks are repaired
6. Fluoride concentration is worse if you live at the low end of the system near #7. The state’s recommendation is to drink and cook with bottled water, especially children.

Water losses, leak detection, and water hauling costs.

Water Losses

- We are pumping 25,000-27,000 gallons per day (measured daily)
- We are billing 14,000-15,000 gallons per day (can only measure monthly = uncertainty)
- That's a loss of 11,000- 12,000 gallons per day! And the data supports this.
- Major leak(s) began ~Nov. 1, 2023

Leak Detection (Published on the website May 2, 2024)

- Major leaks began ~Nov. 1, 2023
- One major leak was found on Carolino Canyon and was repaired by Nov. 12th, but the tanks didn't recover. Indicating another large leak(s).
- For a month we looked for leaks. It was unprecedented that they didn't surface.
- **Data analysis became crucial, and record keeping became more thorough.**
- New Mexico Rural Water (NMRW) in November and December, at no cost, to search for leaks with their acoustic leak detector, on every valve and fire hydrant on the system. They found one leak near the intersection of Carolino and Kuhn Road. The leak, which turned out to be small, was repaired on November 27.
- NMRW continued their acoustic leak detection in December, focusing on the meter cans. They identified 11 potential leaks, all estimated to be minor. Eight of those have been located and repaired.
- Mid-day isolation tests began in January, and it was soon discovered that spending all day in a vehicle monitoring the tank level was not feasible, but a leak was found and repaired on Brandy Lane Feb 12th. (It surfaced and a neighbor found it before the data revealed it.)
- At the end of February, we installed a tank level sensor to collect data on tank level about every 10 minutes so we could characterize our water use and automate the isolation tests. This data collection over the past six months has helped us understand our usage patterns and will eventually be able to alert the manager if a significant leak occurs. It has also identified about six 1,000-gallon thefts in the middle of the night.
- July 23rd, we began doing night testing with the idea that very little water is used then. (See plots.) The data does seem more useful since usage patterns on a daily basis yielded very little due in the first 23 tests because of the uncertainty of how much water was being used at any given time or day. (Real-time meter readings may be in our future.)
- We have had help from NMRW for free. Acoustic detection is the first step on any system according to American Leak Detection. Then isolation. Then helium injection.

Water Hauling Costs

- \$431/4000 gallons = 10.775 cents/gallon
- Spent \$166,043.10 from Nov-May.
- Began hauling water again on August 5th. Have spent \$18,964 since then.
- Have recovered ~\$99,010 in those costs, which had just brought us into the black until the past week's problem arose.

Financial Position Review (See handout.)

Decisions that need to be made on priorities: (new business)

1. Should we pursue our own leak detection and repair as our highest priority? Or should we hire American Leak Detection at \$4,600/day to do this work? (They would start with acoustic, then isolate, then inject helium into the isolated section and try to detect it above ground.)
2. Shall we redrill #8, which might solve the fluoride violation?
3. Or redrill #6 to increase its production?
4. Should we do a Preliminary Engineering Report at a cost of \$50-60k? This is the first step to grants and may be required for loans.
5. Should we pursue a loan? Or become a MDWCA and hope for grants somewhere down the line?
6. Rate increase or assessment? Most systems use assessments.