

BIG MESA 2019 ANNUAL MEETING NEWSLETTER

Your Association's Annual Meeting was held, per the By-Laws, on Saturday, June 15th. The first order of business was our Annual Financial Report and Statement presented by the Association's CPA/Accountant, Kelly McFarland. Big Mesa's fiscal year ended 5/31/2019. In summary, Big Mesa is well positioned to fund water system improvements. Listed below are highlights of the Annual Financial Statement that are available at the office for your review:

- Big Mesa's current assets grew 31% greater from fiscal year 2018.
- Restricted assets (Capital Outlay, Infrastructure & Trash) are equal to 2018, even with the purchase of a much needed company truck.
- Member equity gained nearly 8% to \$639,774.
- Revenues and cost of sales remained consistent, and total expenses decreased by nearly \$24K,
- Association budgeting only had few significant variances (>5%) but most were favorable variances and no budget-busters.
- Cash flow (Revenue in Excess of Expenses + Depreciation) was \$114,000, meaning Big Mesa is in a good position to handle debt.

After recognizing Dana and her office staff (especially with the recovery of Accounts Receivable due to a computer crash), Kelly discussed possible "risks" to the Association. These include: 1) The condition of the existing system and distribution lines; 2) Aquatic species (Zebra Mussel) invasion & equipment costs; 3) Drought; 4) Data information loss (computer crashes or fraud). Kelly finished by stating that all Conchas property values rely on the availability of safe and reliable drinking water.

Kelly then conducted Big Mesa's election. Of our 603 Members, he received 135 mailed-in ballots. The three Board seats up for election, results were; Steve Morgan 129 votes, Steve Jones 129 votes and Jeff Strom 126 votes. Your Water Board Officers are; Dave Artery President, Steve Morgan Vice-President, Jeff Strom Treasurer, Steve Jones Secretary and Jeff Mechenbier Member-at-large.

The next fiscal year expected revenues are projected to be to \$450k with combined expenses totaling \$390k, for a net surplus about \$60k. This "surplus" will enable Big Mesa to handle future system improvements as discussed below.

After much effort by your Board and management through attaining multiple requirements and applications, BIG MESA MADE THE DRINKING WATER BUREAU'S LIST FOR FUNDING! Your Association is positioned to receive a \$1,076,355 GRANT and a \$358,758 loan at 0% INTEREST!

These funds will be used to complete the three major projects identified in last year's Preliminary Engineering Report (direct line to the storage tank, pre-filtration system, and automatic meter reading). The state's list is currently in the public comment period, but Big Mesa will take the next steps in the funding process; an Environmental Assessment for the pre-filtration system will need to be completed (for which we will seek additional grant funding), complete external independent audits, and negotiation with New Mexico Finance Authority over loan application details. All this will take a long time and much effort (two plus years), but we are financially capable to handle these much needed system improvements to our water system.

Per the By-Laws, members are NOT permitted to operate the Association's meter. If members do not have a shut off valve they should call the Water Department to come turn service on for them, but most operate it themselves which many times results in a broken or damaged meter. To help solve the problem, the Association has established service fees and tampering fees, which will continue to be enforced, but little has helped! Discussion is now focused on setting a deadline for compliance. An installation deadline may be the only way to reach compliance.

We urge all Members to attend monthly meetings (open to the public) on the second Saturday of each month at 8am-summer hours at the Water Building. Please get informed and become involved in the ongoing effort to improve our aging water distribution system through Big Mesa's to continue to deliver safe and reliable water!

Sincerely, Your Water Board and Staff

**BIG MESA MDWCA 2018 CCR REPORT AVAILABLE NOW IN
BUSINESS OFFICE OR AT WWW.BIGMESA-NM.COM**