DRAFT MINUTES

Brazos Mutual Domestic Water Consumers Association

Special Board Meeting

Date: Tuesday, July 21, 2026
Time: 6:30 PM MDT
Physical Location: 2 Brazos Circle, Chama, NM 87520
Virtual Meeting: Google Meet - https://meet.google.com/pjc-vqfj-ivu
Dial-In: (US) +1 302-364-6827, PIN: 776 535 380#

1. Call to Order

President Teri Fahs called the Special Board Meeting to order at 6:30 PM.

2. Proof of Quorum

A quorum of the Board was confirmed.

3. Proof of Notice of Meeting

Donna Casados confirmed that notice of the Special Board Meeting was distributed by email, posted on the Association website, and posted on the community notice board in front of the Cliff View restaurant.

4. Approval and Amendment of Agenda

The Board reviewed the posted agenda, which identified discussion and approval of the Fiscal Year 2027 budget as the business of the Special Meeting.

Donna Casados moved to amend the agenda to add discussion and approval of the Fiscal Year 2026 Quarter 4 Budget Adjustment Resolution (BAR), as required by the Department of Finance and Administration. The motion was seconded and approved by roll-call vote.

Result: Motion passed unanimously.

5. Business

A. Discussion and Approval of FY 2027 Budget

Martha Montoya, Bookkeeper, presented the proposed Fiscal Year 2027 budget. The Board reviewed projected revenues, operating expenses, debt obligations, infrastructure needs, reserve planning, and contract service categories.

The Board discussed the water sales revenue projection. Because prior-year actual revenue included late payments from the preceding fiscal year, the Board determined that using the prior-year total would overstate anticipated FY27 revenue. Based on the current membership count of 128 user memberships, 18 non-user memberships, and one commercial account, the projected water sales revenue was adjusted to $84,000.

The Board discussed the Department of Finance and Administration recommendation to establish a reserve. A 10% reserve line item was added to the FY27 budget, with the appropriate DFA line-item classification to be confirmed.

Martha Montoya clarified that Contract Professional Services includes services such as bookkeeping and community liaison support, while Contract Other Services includes the water operator. The water operator budget was increased to $12,000 in anticipation of the cost of securing a certified operator.

The Board reviewed current debt obligations. Martha Montoya reported that Loan No. 2025502 had been paid off. The remaining annual debt service was adjusted to $7,482.37 in principal and $3,667.78 in interest based on the current amortization schedule.

President Fahs reported that the pressure-reducing valve (PRV) associated with Well No. 3 is approximately 26 years old and non-functional. The anticipated replacement cost was estimated at approximately $10,000 to $12,000. The Board agreed to include $12,000 for the PRV replacement under Infrastructure in the FY27 budget.

The Board also discussed the need for improved budget transparency and expense detail. It was noted that implementation of QuickBooks will provide more detailed categorization and reporting going forward.

Donna Casados moved to approve the Fiscal Year 2027 budget as presented so it could be submitted to DFA on time. Teri Fahs seconded the motion.

Roll-Call Vote: Donna Casados - Aye; Charles Roberts - Yes; Ryan Costanza - Yes; Jim Banister - No; Teri Fahs - Yes. The meeting record also reflects a final affirmative call from Donna Casados.

Result: Motion approved.

Result: Fiscal Year 2027 budget approved by a 5-1 vote.

B. FY 2026 Quarter 4 Budget Adjustment Resolution (BAR)

Martha Montoya presented the Fiscal Year 2026 Quarter 4 Budget Adjustment Resolution to reconcile approved revenue projections with actual fiscal-year revenue.

The proposed adjustments included:

Water Use Fees / Water Sales (44-220): Increase the approved budget by $11,973.30, reflecting actual revenue of $91,973.30 compared with the $80,000 budget.

Interest Income (46-030): Increase the approved budget by $48.90, reflecting actual revenue of $98.90 compared with the $50.00 budget.

Donna Casados moved to approve the Fiscal Year 2026 Quarter 4 Budget Adjustment Resolution (BAR). Ryan Costanza seconded the motion.

Roll-Call Vote: Charles Roberts - Yes; Rubel Martinez - Yes; Ryan Costanza - Yes; Jim Banister - Yes; Teri Fahs - Yes; Donna Casados - Yes.

Result: Motion approved unanimously (6-0); FY26 Quarter 4 Budget Adjustment Resolution approved.

C. Resolution Signature and DFA Submission

Donna Casados advised the Board that three resolutions required electronic signatures, including resolutions approved at the prior meeting and the newly approved FY26 Quarter 4 BAR. Board members were reminded to check spam or junk folders for the electronic signature requests.

Donna Casados will provide the final approved FY27 budget to Martha Montoya. Martha Montoya will submit the FY27 budget and FY26 Quarter 4 BAR to DFA.

D. Informational Discussion - Emergency Preparedness and Water Operations

During discussion, the Board received updates regarding the Association's continuing water emergency, emergency water tank coordination, participation in the New Mexico Water/Wastewater Agency Response Network (NM-WARN), and the need to secure a certified water operator.

Because NM-WARN membership and the water operator search strategy were not included as separate action items on the posted Special Meeting agenda, the Board agreed to place both matters on the August Regular Board Meeting agenda for formal discussion and any necessary action.

Rubel Martinez will coordinate with Albuquerque Water regarding return or replacement of the temporary emergency water tank. The Board also discussed the need to empty the existing temporary tank before return or replacement.

The Board confirmed that the search for a certified water operator remains a priority. Interim sampling assistance is being provided while the Association remains in communication with its compliance contacts.

6. Action Items

Donna Casados: Send the final approved FY27 budget to Martha Montoya; and distribute electronic signature requests for the outstanding resolutions.

Teri Fahs: Provide Jim Banister a copy of the 99-year Upper Brazos Property Owners Association lease associated with the middle tank.

Martha Montoya, Bookkeeper: Confirm the appropriate DFA line item for the 10% reserve and submit the approved FY27 budget and FY26 Quarter 4 BAR to DFA.

Rubel Martinez: Coordinate with Albuquerque Water regarding return or replacement of the temporary emergency water tank and confirm timing so the tank can be emptied as necessary.

Board / Agenda Preparation: Place NM-WARN membership/approval and the certified water operator search strategy on the August Regular Board Meeting agenda.

7. Adjournment

There being no further business before the Board, the Special Board Meeting was adjourned.

Approved on:____________________