

Tranquillo Pines MDWCA Board and Member Meeting

November 20, 2025

1

Agenda

- Review Minutes from October 16th Board & Member meeting
- Financial Position
- Manager's Report
- Reports/Updates on:
 - Water loses, leak detection, and repairs
- Unfinished Business
 - Manager in training candidates? Paid apprenticeship program available
 - Status Preliminary Engineering Report preparation by Horrocks
 - Well #7 fluoride violation (4.54 mg/L on 4/1/25)
 - Administrative Compliance Order (ACO) No. 2024-ACO-07
 - An Action Plan is due to the NMED as soon as possible
 - Status of grant/loan from Water Trust Board, next steps
 - Status of grant from Water Project Fund, Technical Assistance Program - Accounting
 - Status of Level 2 Water Operator search
- New Business
 - Nominate a new Director because Carl Walker has resigned to focus on system management
 - Elect officers now or within 10 days?
 - Losses reduced, keep assessment at 100%
 - Review and approve first draft of 2026 budget
 - Rate analysis
 - Prepare a Compliance calendar
 - Upgrade account to "Small Business" at Credit Union?
- Member discussion and questions
- Transfers

2

Tranquillo Pines MDWCA Financials

November 20, 2025

3

Financial Overview

October Financial Summary					
Total Revenue	Prior Mo Avg	Total Expense	Prior Mo Avg	September Closing Balance	October Closing Balance
\$52,400	\$47,200	\$30,200	\$44,600	\$30,200	\$52,100
Water Hauling	Prior Mo Avg	Contractor Repairs	Prior Mo Avg	Parts and Equipment	Prior Mo Avg
\$6,900	\$24,300	\$3,000	\$4,700	\$5,400	\$1,900
\$5,200	November thus far				

4

Revenue	Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD	Mo. Avg.	Budget Diff.
Customer Payments	\$ 572,084	\$ 42,045	\$ 45,070	\$ 53,440	\$ 38,731	\$ 50,831	\$ 52,901	\$ 52,102	\$ 47,168	\$ 42,165	\$ 52,431	\$ 572,084	\$ 47,674	\$ (24,410)
Bank Fees and RTN check fees	\$ -	\$ (17)	\$ (18)	\$ (18)	\$ (16)	\$ (192)	\$ (406)	\$ (574)	\$ (774)	\$ (15)	\$ (170)	\$ (2,237)	\$ (186)	\$ (186)
Interest Income	\$ -	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 1	\$ 1
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Past Due Accounts	\$ -	\$ 20,969	\$ 17,696	\$ 15,697	\$ 14,585	\$ 17,397	\$ 8,469	\$ 10,222	\$ 11,744	\$ 13,025	\$ 13,889	\$ 143,693	\$ 11,974	\$ 11,974
Total Revenue	\$ 572,084	\$ 42,030	\$ 45,052	\$ 53,423	\$ 38,716	\$ 50,640	\$ 52,496	\$ 51,528	\$ 46,394	\$ 42,150	\$ 52,261	\$ 569,853	\$ 559,462	\$ (512,622)
Expenses														
Fixed Costs (Indirect)														
Debt Service	\$ 5,108	\$ -	\$ -	\$ 1,277	\$ 1,277	\$ 1,277	\$ -	\$ 2,554	\$ -	\$ 1,277	\$ -	\$ 7,662	\$ 639	\$ 4,470
Manager Salary	\$ 33,600	\$ 1,400	\$ -	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 3,440	\$ 2,800	\$ 30,040	\$ 2,503	\$ 31,097
Water Rider Salary	\$ 33,600	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 3,728	\$ 2,940	\$ 34,948	\$ 2,912	\$ 30,688
Payroll Taxes	\$ (523)	\$ (259)	\$ (501)	\$ (506)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing Software, Website service	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759	\$ -	\$ -	\$ -	\$ 16	\$ 775	\$ 65	\$ 535
Postage	\$ 2,000	\$ 198	\$ 112	\$ 168	\$ 768	\$ -	\$ 168	\$ 56	\$ 200	\$ 122	\$ 189	\$ 2,299	\$ 192	\$ 1,808
Rent - Storage	\$ 2,400	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400	\$ 200	\$ 2,200
Rent - Office	\$ 4,800	\$ 400	\$ -	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800	\$ 400	\$ 4,400
Utilities - Electric, phone, internet	\$ 19,000	\$ 1,627	\$ 1,530	\$ 1,456	\$ 1,520	\$ 1,364	\$ 1,376	\$ 1,670	\$ 1,473	\$ 1,568	\$ 1,538	\$ 18,196	\$ 1,516	\$ 17,484
Tank Maintenance	\$ 15,000	\$ -	\$ 1,254	\$ 2,509	\$ -	\$ 2,859	\$ 1,605	\$ 1,254	\$ 2,509	\$ -	\$ 3,764	\$ 19,504	\$ 1,625	\$ 13,375
Insurance BOO Liability annual (Higginbotham)	\$ 1,000	\$ -	\$ -	\$ -	\$ 963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963	\$ 80	\$ 920
Insurance TPWUC Liability annual (Cincinnati Ins)	\$ -	\$ -	\$ -	\$ -	\$ 907	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 932	\$ -	\$ 932
Insurance - Workmans Comp monthly NMR	\$ 2,400	\$ -	\$ 198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 17	\$ 2,384
Insurance - Vehicle monthly Farmers Ins	\$ 2,500	\$ 208	\$ 208	\$ 499	\$ -	\$ 218	\$ 218	\$ 218	\$ 218	\$ 218	\$ 218	\$ 2,638	\$ 220	\$ 2,280
Fuel Only	\$ 1,200	\$ 49	\$ 109	\$ 270	\$ 125	\$ 224	\$ 249	\$ 241	\$ 119	\$ 213	\$ 328	\$ 2,317	\$ 193	\$ 1,007
Truck Maintenance	\$ 1,200	\$ -	\$ -	\$ 25	\$ -	\$ -	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ 320	\$ 43	\$ 1,157
Legal/Accounting (no fee plus filings)	\$ 6,500	\$ 538	\$ 54	\$ 538	\$ 538	\$ 538	\$ 538	\$ 562	\$ 538	\$ 538	\$ 544	\$ 6,003	\$ 500	\$ 6,000
Permits & other fees (SOS filings)	\$ -	\$ -	\$ 271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271	\$ -	\$ -
Financial Audit	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Dues (NRMWA, WARN) annual	\$ 700	\$ 321	\$ -	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 571	\$ 48	\$ 602
Office Supplies	\$ 1,200	\$ -	\$ -	\$ 130	\$ 1,442	\$ -	\$ 33	\$ 41	\$ 100	\$ 15	\$ 32	\$ 1,993	\$ 166	\$ 51,034
Operator Fee	\$ 6,400	\$ 531	\$ 531	\$ 531	\$ -	\$ 1,061	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 6,370	\$ 531	\$ 5,869
Reserve Fund-Emergency Fund	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000
Total Fixed Costs	\$ 166,208	\$ 7,749	\$ 7,008	\$ 13,338	\$ 13,235	\$ 13,706	\$ 11,972	\$ 13,327	\$ 11,888	\$ 12,250	\$ 13,516	\$ 143,003	\$ 11,817	\$ 130,391
Variable Costs (Direct)														
Labor and System Testing overtime	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500
Technical Support	\$ 5,000	\$ -	\$ 38	\$ -	\$ 710	\$ -	\$ 199	\$ -	\$ -	\$ -	\$ -	\$ 947	\$ -	\$ -
O & M														
Parts, Supplies, Equipment	\$ 10,000	\$ 1,516	\$ 1,349	\$ 1,447	\$ 174	\$ 1,083	\$ 2,420	\$ 243	\$ 5,600	\$ 3,338	\$ 5,384	\$ 27,064	\$ 2,255	\$ 7,745
Contractor Repairs	\$ 45,000	\$ 2,163	\$ 2,000	\$ 8,172	\$ 1,179	\$ 1,121	\$ 2,117	\$ 3,877	\$ 5,489	\$ 16,087	\$ 3,045	\$ 44,250	\$ 4,521	\$ 40,479
Water Hauling	\$ 200,000	\$ 27,087	\$ 35,773	\$ 30,954	\$ 21,119	\$ 24,567	\$ 18,102	\$ 25,141	\$ 21,138	\$ 14,654	\$ 6,896	\$ 270,431	\$ 22,536	\$ 177,464
Gross Receipt Tax	\$ 10,500	\$ 2,031	\$ -	\$ 933	\$ -	\$ 1,709	\$ 899	\$ 892	\$ 674	\$ 842	\$ 854	\$ 10,600	\$ 883	\$ 9,617
NM State Tax	\$ 4,500	\$ 307	\$ 141	\$ 74	\$ 117	\$ 315	\$ 217	\$ 217	\$ 501	\$ 79	\$ 217	\$ 2,624	\$ 219	\$ 4,288
Federal Taxes	\$ 10,000	\$ 778	\$ 454	\$ 694	\$ 1,449	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,249	\$ 1,587	\$ 12,343	\$ 1,029	\$ 8,971
Conservation Tax	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ -	\$ -	\$ -	\$ -	\$ 189	\$ 17	\$ 283
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50
Total Variable Costs	\$ 288,800	\$ 13,881	\$ 39,755	\$ 42,714	\$ 24,748	\$ 29,828	\$ 24,780	\$ 31,741	\$ 34,435	\$ 36,249	\$ 17,081	\$ 278,448	\$ 23,480	\$ 252,340
Total Expenses	\$ 455,008	\$ 41,630	\$ 46,763	\$ 56,053	\$ 37,982	\$ 43,534	\$ 36,760	\$ 45,068	\$ 46,323	\$ 48,499	\$ 31,499	\$ 521,449	\$ 45,297	\$ 443,732
Net Revenue	\$ 117,076	\$ 399	\$ (1,710)	\$ (2,190)	\$ 734	\$ 7,046	\$ 15,736	\$ 6,460	\$ 71	\$ (6,349)	\$ 20,762	\$ 48,404	\$ 16,186	
Required Break Even Mo Revenue		\$ 42,429	\$ 46,763	\$ 55,613	\$ 37,982	\$ 43,594	\$ 36,760	\$ 45,068	\$ 46,323	\$ 35,801	\$ 31,499			
No of members in arrears >31 days		37	38	40	25	42	14	16	17	15	16			
No of member in arrears >61 days														

Eye chart included for consistency
with previous presentations

Tranquillo Pines MDWCA Manager's Report Since Oct 16

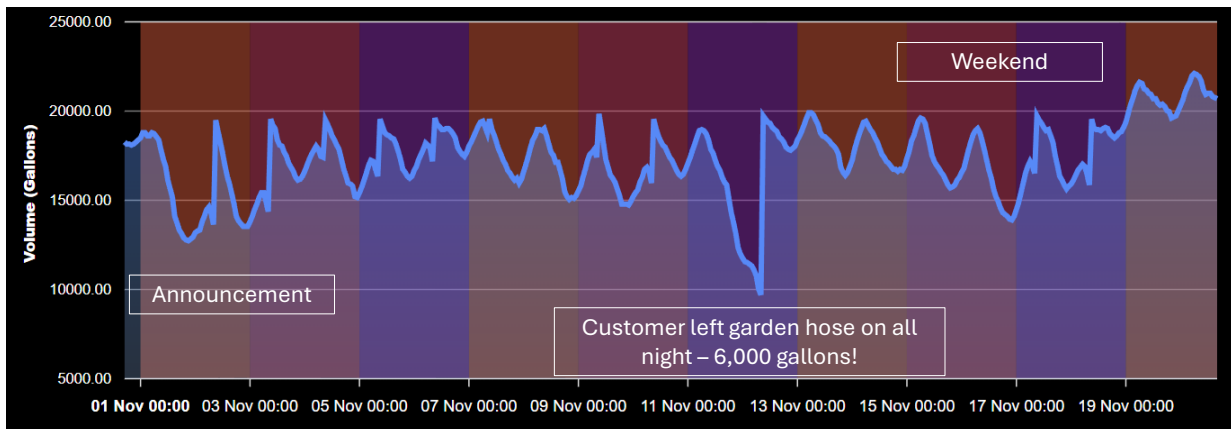
November 20, 2025

8

November 20, 2025

Leak Detection Update

- Leaks are being repaired, and the data is showing interesting behavior
- Announcements = Increase in water usage?
- **If you have a leak or fill a tank, etc. LET US KNOW!** So, we don't waste our time reading meters
- It takes 16 to 20-man hours to read all meters!



9

Leak Detection Update

- One ~4,000gpd leak on Peacock isolated 9/15
- Second elusive leak on Peacock found and repaired 10/20
- We've only added hauled water on two of the last seven days



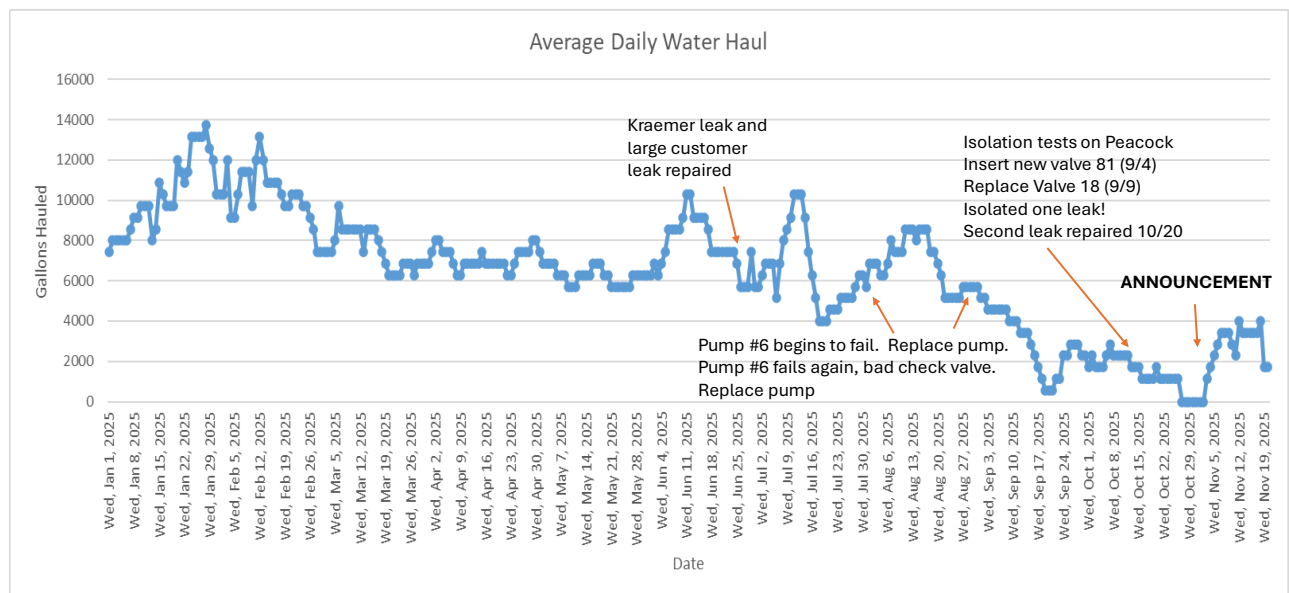
10

Leak Detection Update

- And the work is not finished after a leak is repaired.
- There's backfill, compaction, concrete around valve cans, asphalt and rock disposal, and asphalt repair



11



Locating and repairing leaks is the highest priority!

12

Tranquillo Pines MDWCA Unfinished Business

November 20, 2025

13

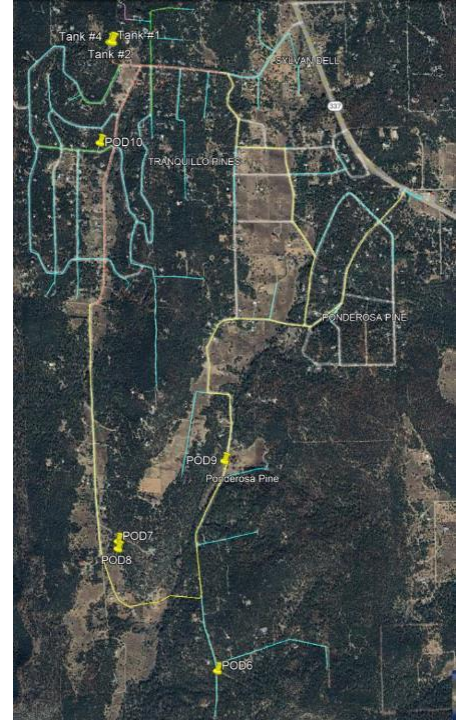
Unfinished Business

- Manager in training candidates? Paid apprenticeship program available
- Status of Level 2 Water Operator search
- Status of Preliminary Engineering Report preparation by Horrocks
 - Board to provide Horrocks with fire hydrant flow rates and pressures
- Well #7 fluoride violation (4.54 mg/L on 4/1/25)
 - Administrative Compliance Order (ACO) No. 2024-ACO-07
 - An Action Plan is due to the NMED as soon as possible
- Status of grant/loan from Water Trust Board, next steps
- Status of accounting grant from Water Project Fund, Technical Assistance Program

14

Administrative Compliance Order

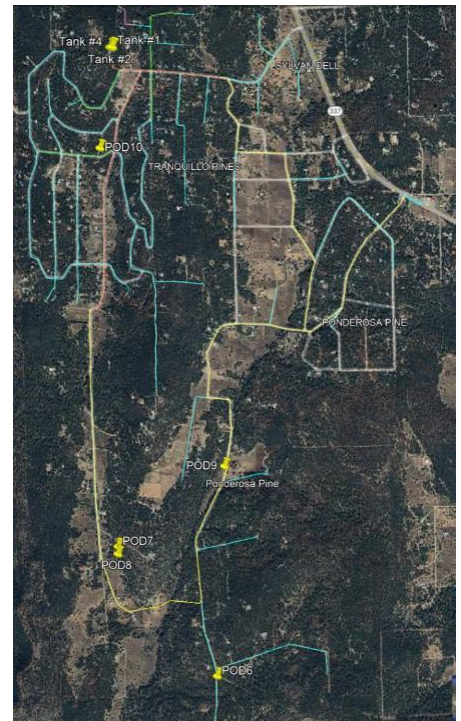
- As of 6/4/2025, Well #7 is still in violation at 4.8 mg/L
 - (4 mg/L maximum)
- **As of 8/1/2025 the TPMD is out of compliance, and we are under an Administrative Compliance Order (ACO) No. 2024-ACO-07 (See next slide.)**
- **NMED recommends drinking and cooking with bottled water, especially children**
- The highest concentrations from #7 are southern Skyland
- The Board has been working with NMED and now Horrocks on potential solutions
- The Preliminary Engineering Report will address this issue as the highest priority.



15

ACO No. 2024-ACO-07

- NMED requires that we submit a Proposed Action Plan **ASAP** that includes:
 - A detailed description of the remaining steps necessary to achieve compliance with the fluoride MCL requirement under 20.7.10.100 NMAC and 40 C.F.R. § 141.62(b)(1)
 - Tentative start and completion dates for each step
 - Key milestones, including completion of the Preliminary Engineering Report (PER), design selection, funding approvals, construction start, and anticipated operational date of the selected fluoride treatment solution
 - Identification of responsible parties for each milestone
 - Any anticipated challenges or dependencies that could impact timely completion
- **Horrocks will help us prepare this plan**



16

WTB – grant/loan

- Focused on fluoride remediation, but has a repair and maintenance component
- Applied for \$1.1M but must match with \$400k = \$1.5M
- Required documentation
 - Project Application: Completed Sept. 11, 2025
 - Waiver request for lack of PER: Completed
 - Waiver request approved October 1st
 - Worked with State Engineer to ensure TPMD was in compliance with them
 - Preliminary Engineering Report (PER): The Board is working with Horrocks
 - Asset Management Plan (AMP): The Board is working on the with SWEFC at UNM
 - 2026 Budget Submission
 - Readiness application: Attend training on Dec. 8, 2025 (See following slides)

17

WTB – grant/loan



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46

Key Application Dates

- Notice of Intent: *July 14 – 31, 2025*
- Project Application: *August 11 - September 11, 2025*
- Consideration of Waiver Request: ***October 1-2, 2025****
- Applicants notified of regulatory non-compliance: *October 17, 2025*
- WTB approval of projects recommended for Legislative authorization: *October 29, 2025*
- Readiness Application Training: *December 8, 2025*
- Readiness Application: *Dec. 10, 2025 – Jan. 22, 2026*
- Final compliance deadline/waiver requests due: *March 20, 2026*
- Waiver Considerations: *April 2, 2026*
- Anticipated WTB Funding Recommendation decision: *April 21, 2026*
- Approval on Funding Terms & Structure (NMFA): *May 2026*



18

WTB –
grant/loan



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43

Readiness Application Preparations

- **December 8, 2025** – Readiness Application Training
 - Application updates
 - Financial Capacity to take on Loan Component; Loan Pledge
 - Regulatory Compliance
 - **Budget and Audit Compliance**
 - Water Conservation Plan – OSE (*Project Application*)
 - Water Rights – OSE (*Project Application*)
 - Safe Drinking Water Act/Clean Water Act – NMED (*Project Application*)
 - NM Water Regulations – NMED (*Project Application*)

19

WTB –
grant/loan



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44

Readiness Application Preparations - continued

- Policy Compliance
 - Asset Management Plan
 - Project Continuation – Section 2.5 of WTB policies
- Secured Match

20

Technical Assistance Program - Accounting

- August submitted TAP application for financial audit
- September introductory call with NMFA and IPA
- October NMFA authorizes 3-month engagement with IPA to providing accounting assistance but no audit. TPMD submits financial data for you
- November call with IPA outlines some useful guidelines to follow including checklists, COA, and budget submission to DFA



21

Tranquillo Pines MDWCA New Business

November 20, 2025

22

New Business

- Nominate a new Director because Carl Walker has resigned to focus on system management
- Elect officers now or within 10 days?
- Losses reduced, keep assessment at 100%?
- Review and approve first draft of 2026 budget
- Rate analysis
- Prepare a Compliance calendar
- Upgrade account to “Small Business” at Credit Union?

23

Proposed 2026 Budget

Budget Assumptions

20% decrease in revenue
 50% decrease in water hauling
 5% increase in salaries
 3% increase cost of goods and services
 Fund emergency account
 Account for audit
 Final budget will include loan component for WTB funding
 Regular Updates with NM DFA

	2025 budget	2025 full year forecast	2026 Interim Budget
Revenue	Budget		
Customer Payments	\$ 572,084	\$ 572,084	\$457,667
Bank Fees and RTN check fees	\$ -	\$ (2,237)	-\$2,237
Interest Income		NA	
Investment Income		\$ -	
Past Due Accounts	\$ -	NA	
Total Revenue	\$ 572,084	\$ 569,853	\$455,430
Expenses			
Fixed Costs (Indirect)			
Debt Service	\$ 5,108	\$ 7,662	TRD
Manager Salary	\$ 38,600	\$ 30,040	\$31,542
Water Rider Salary	\$ 38,600	\$ 34,948	\$36,695
Payroll Taxes			
Billing Software,Website service	\$ 600	\$ 775	\$798
Postage	\$ 2,000	\$ 2,299	\$2,368
Rent - Storage	\$ 2,400	\$ 2,400	\$2,400
Rent - Office	\$ 4,800	\$ 4,400	\$4,400
Utilities - Electric,phone,Internet	\$ 19,000	\$ 18,196	\$18,742
Tank Maintenance	\$ 19,000	\$ 19,504	\$19,504
Insurance BOD Liability annual (Higginbotham Ins)	\$ 1,000	\$ 963	\$963
Insurance TPWUC Liability annual (Cincinnati Ins)		\$ 932	\$932
Insurance - Workmans Comp monthly NM Mutual	\$ 2,400	\$ 198	\$198
Insurance - Vehicle monthly Farmers Ins	\$ 2,500	\$ 2,638	\$2,638
Fuel Only	\$ 1,200	\$ 2,317	\$2,387
Truck Maintenance	\$ 1,200	\$ 520	\$536
Legal/Accounting (mo fee plus filings)	\$ 6,500	\$ 6,003	\$6,183
Permits & other fees (SOS filings)		\$ 271	\$279
Financial Audit	\$ 3,000	\$ -	\$15,000
Dues (NMRWA,WARN) annual	\$ 700	\$ 573	\$590
Office Supplies	\$ 1,200	\$ 1,993	\$2,053
Operator Fee	\$ 6,400	\$ 6,370	\$6,362
Reserve Fund-Emergency Fund	\$ 24,000	\$ -	\$36,000
Total Fixed Costs	\$ 166,208	\$ 143,003	\$190,770
Variable Costs (Direct)			
Labor and System Testing overtime	\$ 3,500	\$ -	
Technical Support	\$ 5,000	\$ 947	\$975
G & M			
Parts, Supplies, Equipment	\$ 10,000	\$ 27,064	\$27,876
Contractor Repairs	\$ 45,000	\$ 54,250	\$55,877
Water Hauling	\$ 200,000	\$ 270,431	\$135,216
Gross Receipt Tax	\$ 10,500	\$ 10,600	\$10,918
NM State Tax	\$ 4,500	\$ 2,624	\$2,702
Federal Taxes	\$ 10,000	\$ 12,343	\$12,713
Conservation Tax	\$ 300	\$ 180	\$195
Other	\$ -	\$ -	
Total Variable Costs	\$ 288,800	\$ 378,446	\$246,471
Total Expenses	\$ 455,008	\$ 521,449	\$437,241
Net Revenue	\$117,076	\$48,404	\$18,189

24

Rate Analysis

- An independent rate analysis is part of the Administrative Order Action Plan submitted to NMED
- RCAC will do a rate analysis at no charge
- Data was submitted November 17, waiting on reply

25

Compliance Calendar

- Who we comply with and answer to



Overview of Regulatory Calendar for MDWCAs



STATE AGENCY	WHAT	WHEN
New Mexico Environment Dept.	Water Sampling/ Monitoring	Monthly, Quarterly, Semi or Annually
New Mexico Environment Dept.	Consumer Confidence Reports	Due on or before July 1 st
Office of the State Engineer	Water Meter Reading	Read Meter Monthly
NM Taxation and Revenue Dept.	Gross Receipts Tax	Monthly, Quarterly, Semi or Annually
NM Taxation and Revenue Dept.	Water Conservation Fee	Monthly, Quarterly or Annually
NM Attorney General's Office	Open Meetings Act Resolution	Annually
NM Office of the State Auditor	Audits or Tiered System of Financial Reporting	Annually
NM Dept. of Finance and Admin.	Annual Budget	Annually
NM Dept. of Finance and Admin.	Quarterly Budget Reports	Quarterly
NM Dept. of Finance and Admin.	Infrastructure Capital Improvement Plan (ICIP)	Annually
New Mexico Secretary of State	Annual Report	Annually
New Mexico 811	Yearly Membership Fee and Respond to Line Locate Requests	Annually

Revised 4.29.24

1

26

Tranquillo Pines MDWCA Discussion and Questions

November 20, 2025

27

Tranquillo Pines MDWCA Transfers

November 20, 2025

28