

The Board's comments give good reason to support why SLP needs water billing.

Responses to the Board comments on the Water Billing Proposal

Board comment: GIS System Mapping - satellite mapping - Is the way industry is going. New Mexico Rural Water Association may be able to help with this. Could take advantage of their assistance, which would be less expensive than hiring out. Some GIS systems are more precise than others.

Replacing hardcopy maps with GIS mapping will improve our efficiency of monitoring and sharing system data. Funds from water billing would allow us to hire person(s) proficient with these programs, and reduce our reliance on "free" services.

SCADA - Supervisory Control and Data Acquisition "SCADA" remote monitoring system - currently working on this although not SCADA level. SCADA requires better cell phone coverage or developing our own Wide Area Network (WASN). Not practical, especially with Windstream connectivity, in a rural community such as SLP. SCADA is used primarily in larger industrial organizations.

An engineer could help us with satellite technology and advice on options for rural area connectivity setup for more cost-effective monitoring and remote management of our equipment.

RETURN lines for Chlorination - Actually called a "pump-line" and we tried to do this on system 2 and the line was too small, got plugged up, and was just difficult to maintain. There is a dedicated pump line to the booster station but not to the storage tank.

Return lines are essential to the safety and sanitation of potable water systems. Dumping chlorine directly into the main line without retention time is a health and liability issue. If the line was too small, got plugged and difficult to maintain it was not engineered properly. Engineering expertise could help us redesign to provide the required retention time.

Fire Protection - If could get a permit from Forest Service, could put another tank alongside existing tanks on System 1.

A tank available from Intel at a cost of \$150,000 is available, when we can afford it. No FS approval. Funds from water billing could pay for the engineering analysis and construction.

Inline System diagnostic components - It's the same idea as the SCADA remote monitoring.

Engineering our systems with strategically placed diagnostics would ensure more effective operations and quicker repairs reducing the manual and time intense volunteer tasks.

Commingle - The water rights are commingled. An engineer could help design how to get water from system 2 to system 1. A properly sized (engineered) pump and valving on the commingle line could send water in the reverse direction.

With our excessive leaks the commingle system serves no benefit. Engineering expertise is needed to redesign this one-way system and its components for both systems benefit.

Well Houses/Pressure Tanks - Pressure tank idea is already in progress. A pressure switch has been plumbed into the Hovenweep Well. Not sure of advantage for each well. (Note: Could get an engineer to look at pressure tanks.)

Engineering expertise would take the guess work out of why and where pressure tanks would be beneficial to our water system so we don't make unnecessary and costly mistakes.

Storage Shed Rebuild w/elect - Rebuild not necessary as some repairs have been made, but could look at electricity. Could look at a new and larger Tuff Shed if it was really needed. Could then do Wi-Fi and use a simpler monitoring system of some type

Funds from water billing would provide the monetary assistance to upgrade our inventory and equipment storage shed.

Hire Water Operator - Needed, but resources are extremely limited for our area. We are investigating the possibility.

Professional water operators are costly and because of our remote location we need to be prepared to pay more. Allocating operator tasks to volunteers has resulted in deferred maintenance and services. With additional monies we could afford a more expensive operator.

In general these items have little to do with the "aging" water system to reduce the leak rate.

More efficient management and monitoring indirectly of operating the systems will protect the health and safety of our community.

Water operator services:

Either with volunteers, Frank or contractors - this is already being done.

Hiring qualified professional help to oversee our systems will help keep us on top of urgent issues and relieve our dependence on volunteers and alleviate work load on the Board. Our remote location requires the realization that we will pay more for services in order to find qualified professional help.

Improvements could be made in the areas of part inventory, valve exercising, regular inspections of pump houses. *Yup. Money helps!*

Scott Medina Proposal - "How Much to fix/upgrade the system"

- Way out of date NMGRT for example is very outdated.
As we have no known or current engineering assessments, professional review will help us meet immediate and future system needs, ensure we meet state standards and regulations and prevent unnecessary costly mistakes.
- Items have been completed.
A current engineering assessment will help us to determine that past repairs and upgrades meet current standards and state regulations.

- Underground system 1 tanks are OK.
According to Medina, the existing water system(s) do not have the water storage capacity to meet current peak-day demands estimates, and allow for system maintenance. His analysis included equalizing storage that is the volume required for proper operation of the well pumps. An engineering evaluation may offer other solutions.
- System 1 gate valves - many have already been replaced.
Not only would engineering expertise help us determine strategic placement of these valves to benefit the maintenance and repair of the system but we also have water pressure issues that have put undue stress on the system and possibly one of the causes of our continuing leak issues.
- Already have some flush hydrants .
According to NMED, the flush/dump valve currently in the meadow (if it's still there) is subject to environmental fines based on it being in a wetland area where the dumping of chlorinated water is prohibited. Engineering expertise would ensure that we are in compliance with NMED with all our system improvements.
- New storage tanks are not needed. Even the steel one can be relined.
The system 2 metal tank is old and replacing instead of relining might be a more cost effective option to ensure that there are no health issues and adding a bigger tank would offer more storage. Water billing funds can provide for tank(s) upgrades/replacement.

Comments on Member Decisions Options

Replacing Failing Components when budget/reserves allow - false statement - we are not waiting for money to become available. We have the money in the budget and in the reserve account and we are replacing in 1,000 ft. sections.

Water billing funds will give the Board more flexibility to plan larger projects. Replacing lines will benefit from engineering guidance and planning, however new lines and valves may not be the only system problem. Strategic placement of valves, PRV's, flush valves, pressure tanks, booster pumps, etc., can reduce future issues with our systems.

All current water systems were well engineered at the time of installation.

Our water systems would benefit from engineering advice and planning before we continue to replace/repair improvements that may not be necessary or could be better sited.

The system can still fail, whether it's re-engineered or not.

Systems will always experience problems, but with professional advice on upgrades the seriousness of those issues may be mitigated quicker, saving water and prevent lengthy outages and contractor/volunteer time.

We are continuing to build our reserve account, so if future conditions require a large expenditure more money is available and if not enough, then a special assessment can be considered. We can cross that bridge if we come to it.

Special assessment burdens on the community can be avoided with water billing and planning. Eventually the annual dues could be reduced after the system is meeting industry standards and is functioning at acceptable losses.

A 60% leak rate and loss of 6.4 million gallons a year should serve as a sufficient alert for the members to understand that the community needs more money than we can allocate from the annual dues to keep ahead of the problems.

Reasons the Board doesn't support the proposal

Cost:

- Board believes it's more cost effective to continue moving in the direction in which we've started by replacing water lines (3,000 ft/yr). About half of the sections which did have leaks were already replaced. Even though System 2 has not leak been checked, it's strongly believed that most of the current main line leakage is confined to a single location.

With 4000 ft of line replacement on sys 1 we are still at a 60% loss rate. Engineering guidance and leak locating are valuable tools to determine if line replacement is really necessary and can save money.

- No reason to replace sections that are not leaking, therefore, not all 4.8 miles of line should be replaced.
New lines can put pressure on old line joints. Sooner or later replacement will be needed. With sufficient funds from water billing we can afford to replace all the old lines with a more advanced piping construction to serve us another 40 yrs.

- Water Billing proposal is a very costly proposal for members. This proposal could financially devastate some homeowners.

Water billing is a way to secure long term incremental funding to keep our systems running efficiently and reliably. If we want our water delivery infrastructure to be sustainable, we have to pay. Property values depend on it.

- Cost is not spread equally amongst members. Full-time residents would be contributing more than part-time residents. Families with children would be hit the hardest.
Everyone would pay equally for the operations of the systems through their dues which they do now and they are "treated" equally for their water consumption. Water billing is a fund raising program to sustain a viable system, not a punitive program.

- Members would reduce their water usage, which in turn would reduce income.
The operations and management costs are already funded through the annual dues. Reduced income would only affect funds for yearly projects and it would require planning in advance to accomplish future project goals. Any additional funds raised will help contribute to fixing our system quicker.

- Our current meter status already qualifies SLP for loans.
Funds from water billing substantiate our ability to repay a loan. Ability to repay is determined from pledged revenues from users based on water meter rates. (USDA) Let's utilize the full potential of our meters and reading system.
- An average usage of \$210/mon of the \$832 annual assessments is a 25% increase with this proposal.
Fixing our system will cost members additional monies. Once our water system is fixed/upgraded and leaks are within acceptable levels, annual assessments can be considered and reduced. The members need to decide how much water is worth to them.
- Website at www.slpwater.us contains inaccurate data. Pictures show issues where work has already been completed and this is not stated in any caption.
The critique is appreciated and some changes are being made. The "Why" page is being updated to explain the advantages of water billing.
- With the "Proposal," more money will go to the government to pay taxes.
If the association makes money to improve our water system we can support our state.
- Management company costs will increase.
The increase in management costs for the water system can be covered from the funds from water billing, if necessary.
- Many of the costs listed in the "Proposal" can't be quantified (i.e. insurance numbers are quoted very low)
These projected costs need to be scrutinized by the Board and adjusted accordingly for our water system.
- Several items listed in the Construction Cost items in "Proposal" are not needed, such as: Welded Steel Reservoirs, etc.
Engineering advice will help us determine what is currently needed to meet industry standards, what can be delayed, and what is not necessary. A scope, schedule and cost plan will help us prepare for upgrades/repairs/renovations.
- Research is pending on tax implications for Non-Profit Property Owners' Association.