



Las Campanas Water Cooperative

SANTA FE, NEW MEXICO

2020 | SPRING

Las Campanas Spring Newsletter

PRESIDENT'S REPORT | Q2 2020

Ken Kirk, President

“The Co-op Is Currently Making Investments in Our Water Infrastructure”

On behalf of the Las Campanas Water Co-op, I hope that you are staying safe and healthy during these most difficult times. I also hope that we will be seeing and meeting with you in person very soon at our July Member meeting. Despite the hardships caused by the Covid-19 pandemic, the Co-op Board has held several virtual sessions since our meeting on January 29, including our most recent meeting on April 29.

In a recent survey conducted by the US Water Alliance, 84% of American voters indicated that they wanted their state and federal leaders to invest in water infrastructure. This support cuts across demographic, political and geographic boundaries as well as gender, age group and income classifications. Conducted in mid-March during the pandemic, the survey results underscore how important investing in water infrastructure is in terms of keeping us healthy and ensuring the Nation's economic recovery.

The Co-op is currently making investments in our water infrastructure, which partially explains why our water and sewer rates are going up 10% and 15%, respectively, on July 1 of this year. These increases are necessary to keep pace with what the County charges us for water (up 20% in 2019 and 3% in 2020) while also absorbing increases in our operations and maintenance budget caused by the age of our system, the growth of Las Campanas, and more stringent regulatory and compliance requirements. In addition, the Co-op wants to ensure that we are sustainable and resilient. In this regard, we have negotiated a long-term contract with Jacobs Engineering that focuses on asset management and condition assessment, engaged in a long-term strategic planning exercise the results of which we will share with you in July, and focused on rate and reserves studies, including the development of a sophisticated rate model to help guide our efforts in the future.

Between now and the Fall, the Co-op is going to take a close look at what our water investment needs may be over the next five years and what effect this will have on our future water rates. We plan to share the recommendations that come out of this process with our members on an ongoing basis, with a full and open discussion of our 5-year projections slated for the Open session in October. We want to make sure that our members have numerous opportunities to participate in our discussions, ask questions and challenge our methodologies before any final decisions are made.

The Co-op is committed to a course of action that ensures the long-term sustainability of water and sewer services in Las Campanas. We are also committed to being recognized as one of the best run small utilities in New Mexico and the Southwest. With your continued support, we can achieve these goals.

Ken Kirk
Board President



OPERATIONS UPDATE | Q2 2020

Stephen Raab, Committee Chair

“Strong Focus on Our Formal 2020 Operations Goals & Objectives”

2020 Operations Goals & Objectives Progress

The Water Co-op's Operations efforts in Q2 are moving forward with a strong focus on our formal 2020 operations goals & objectives. Like every other aspect of our society our operations have been impacted by the COVID 19 pandemic. Thanks to Kim Visser and the staff at the Water Co-op we are able to operate at full capacity allowing us to meet all of our goals and objectives in a safe and healthy manner. Operationally our staff is backed by Jacobs Engineering and both organizations, working together, are adhering to all of the applicable CDC guidelines. It should be noted that Jacobs Engineering, our third-party contractor, is a sophisticated global company with 52,000 employees worldwide and are supported by a talented management team and the infrastructure that you would expect from a top engineering firm.

Jacob's Engineering Contract Renewed

As noted in the Q1 2020 newsletter the Water Co-op's Board renewed our contract with Jacob's Engineering in December 2019. The contract extension divides Jacob's Engineering's responsibilities, for both water and sewer services, into core responsibilities and optional program enhancements. Jacob's performance and adherence to the contract is closely monitored and managed by Kim Visser and her staff with support from the Water Co-op Board's Operations Committee.

Pond Liner Replacement

One of the major projects scheduled for 2020 is the replacement of the pond liner. At the time of this newsletter the replacement of the pond liner is nearly complete with

a completion by mid-May likely. The liner was in need of replacement after 20+ years of service. We are required to maintain a functioning liner as a condition of our permit. It should be noted that the ongoing cost of continually repairing the liner exceeds the replacement cost.

Eye-on-Water Program Success

The Eye-on-Water Program continues to be a success. We have exceeded our initial goal for community participation of 75% with 78% of the households across the Las Campanas community utilizing the technology. The program allows adopters of the technology to monitor water usage from their iPhone or computer from anywhere! Because we are not participating in face-to-face, in-person meetings the Operations Committee and staff have been utilizing Zoom Meeting for all of our meeting requirements. Zoom Meeting is allowing us to interact for all of our routine and ad hoc meetings.

Core Values

The COVID 19 pandemic has not hindered the Water Co-op's operations efforts and commitment to our three core values of:

- (1) water conservation and sustainability program;
- (2) the enhancement of our overall operations through continuous improvement; and,
- (3) a reduction in the cost of operations are central to the implementation of our three-year plan operations plan.

Please do not hesitate to contact us if you have any questions or concerns during these challenging times.



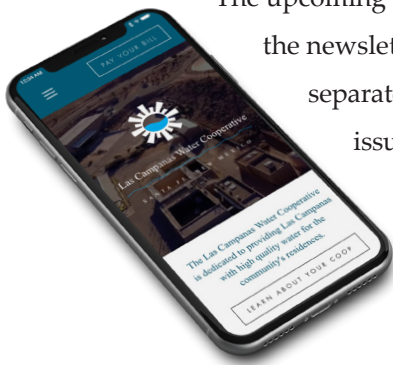
COMMUNICATIONS AND SUSTAINABILITY

Barbara Shoemaker, Committee Chair

Communication, Conservation, & Abatements

Electronic Communications

As a result of input from the Member survey, the Co-op will suspend the printing and mailing of the quarterly newsletters and conservation bulletins in favor of electronic distribution.



The upcoming conservation bulletin and the newsletter will be sent out as separate emails beginning with this issue. Printed versions will be available at the office for members who wish to pick them up once our offices open up for regular business operations post-Covid.

Eye on Water Supports Conservation

Over 78% of our Members have opted to sign up for Eye on Water. With anticipated drought conditions, the ability to monitor water use and water leaks is even more important than ever before.

In the past year, thanks to Member efforts to conserve water and the monitoring provided by Eye on Water, the community has successfully:

- Reduced residential water usage by 6%
- Reduced overall water usage by 4%
- Reduced water surcharges due to Members exceeding allocations by 11%.

Abatements Due to Water Leaks

As in the past, Members are afforded the opportunity to apply for an abatement on their water bill in instances when water leaks occur (no more than once every 5 years). The Board has added two new requirements for consideration:

- (1) The Member must have signed up for Eye on Water prior to the period when the leak occurred.
- (2) The Member must have consistently stayed within the annual water allocation for their residence.

The Board believes these new requirements are consistent with our mandate to encourage water sustainability and collaborative Member efforts to conserve resources.

Planting and Conservation Articles

The Co-op website archives planting and conservation bulletins for your ready reference. On the top navigation bar, there is a section for "Sustainable Resources" that links to horticultural resources (plant selection guides) and also archives seasonal bulletins. These bulletins have been developed in consultation with local experts and provide a wealth of information to guide best practices for conservation both inside and outside of your home.





FINANCIAL STATEMENTS
RESULTS FOR THE 1st QUARTER ENDING MARCH 31, 2020

Las Campanas Water Co-op
Actual vs. Budget Summary
Q1 2020

			<i>Budget Variance</i>		<i>2019 Variance</i>
	Actuals 2020	Budget 2020		Actuals 2019	
Income					
Water	\$97,507	\$98,458	(\$951)	\$101,089	(\$3,582)
Sewer	\$223,289	\$221,677	\$1,612	\$216,855	\$6,434
Effluent	\$22,539	\$22,047	\$492	\$22,047	\$492
TOTAL	\$343,335	\$342,182	\$1,153	\$339,991	\$3,344
Expenses					
Purchased Water	\$47,673	\$47,312	\$361	\$50,690	(\$3,017)
BDD	\$18,900	\$18,900	\$0	\$29,895	(\$10,995)
Operations	\$255,510	\$265,539	(\$10,029)	\$205,590	\$49,920
Administrative	\$133,463	\$133,882	(\$419)	\$105,533	\$27,930
TOTAL	\$455,546	\$465,633	(\$10,087)	\$391,708	\$63,838
Net ordinary Income	(\$112,211)	(\$123,451)	\$11,240	(\$51,717)	(\$60,494)
Investment Income	\$36,868	\$27,999	\$8,869	\$43,325	(\$6,457)
Apply savings	\$75,343	\$95,452	(\$20,109)	\$8,392	\$66,951
Net	\$0	\$0	\$0	\$0	\$0



Las Campanas Water Co-op
Balance Sheet and Capital Spending
Q1 2020

	3/31/2020	3/31/2019
<u>Cash:</u>		
<i>Operating Cash</i>	\$291,799	\$471,261
<i>Savings</i>	\$1,055,763	\$1,036,032
<i>Reserves (Major Repair and Replacement)</i>	\$5,026,271	\$4,890,339
Total Cash	\$6,373,833	\$6,397,632
Accounts Receivable	\$122,609	\$128,958
Prepays	\$39,530	\$9,422
<u>Net Fixed Assets:</u>		
<i>Office Furniture & Equipment</i>	\$76,865	\$63,884
<i>Water Distribution System</i>	\$4,778,460	\$4,788,796
<i>Sewer System</i>	\$9,694,155	\$9,868,128
Total Net Fixed Assets	\$14,549,480	\$14,720,808
Total Assets	\$21,085,452	\$21,256,820
Current Liabilities	\$282,849	\$119,774
Equity	\$20,802,603	\$21,137,046
Total Liabilities and Equity	\$21,085,452	\$21,256,820

2020 Capital Budget:

Pond Liner/Lagoon	\$	231,000
TBD Equipment needs	\$	20,000
<i>Total 2020 Capital spending</i>	\$	251,000