

MINUTES for Annual Membership Meeting
September 5, 2026 10:00 a.m. QLVFD HiBay

Call to Order and Introductions – President Jim Chessum called the meeting to order at 10:09 a.m. He introduced the Board members: President, Jim Chessum; Vice President & QLWA Administrator, Agatha King; Secretary, Robbie Kern; Treasurer, Linda Koop; and Director, Steve Stoops. Sufficient properties were represented establishing a quorum.

Pledge of Allegiance – Ottie Carroll led the attendees in the Pledge of Allegiance.

Reading of the Minutes of Previous Annual Meeting – A motion to dispense with the reading of the minutes of the previous annual meeting was made by Ottie Carroll, seconded by Randy Embrey, and approved by all attendees.

Year-to-Date Treasurer's Report – (**Attachment A**) Linda Koop gave the YTD Treasurer's Report (Attachment A). Total Income was \$200,810.26; Total Expenses were \$186,010.62; Other Income was 53.91; leaving a Net Income of \$14,853.55

Water System Report – (**Attachment B**) Agatha King gave the Water System Report, which also included information on the following agenda items. For details, please see the Attachment.

Old and New Business

- QLWA Policies & Business
 - Off/On (form)--at registration table
 - Email Billing (form)--at registration table
 - Explanation of new billing system
 - WNM to Starlink -- \$70 to \$55/mo. (grant purchase)
 - New computer after crash (grant purchase)
 - Rate increase 1/2027 from \$5 to \$10 per month due to increased cost of operating expenses (i.e., software upgrades for meters, auditor, tank cleaning)
- 2025 Consumer Confidence Report (CCR)
 - Water Sampling – done monthly. No findings
 - Lead & Copper Testing – completed with no findings. QLWA will resume a 3-years testing schedule
- Procedural Audit
 - NO Findings (4 years in a row)
- Improvements
 - Water Line Repairs 2026
 - Well #2 @ Christmas Holiday—lines were replaced with Schedule 80 PVC
 - Draw down on Well #1 was conducted and it recovered within an hour
 - Black Gap (fiberoptics installation)—there have been only 4 line breaks which were quickly repaired by Black Gap and QLWA. Black Gap is reimbursing QLWA for any parts and staff time spent on the breaks.
 - New Chlorinator
 - Water Tank Cleaning 2026 – 5/15 No issues were found with the tank.
- Update on QLWA Infrastructure Capital Improvement Project (ICIP), Capital Outlay, and DFA

- Received John Deere 310P Backhoe on 1/15/26
 - Add'l implements (buckets; forklift tines) & 5-yr Preventive Maintenance Plan
- Water Trust Board Grant for New Tank
 - Rec'd grant for Planning & Design
 - Rec'd grant of \$250K from Capital Outlay to be used on new tank
 - Application for Unit Fund submitted 8/17
- Asset Management Plan – development required for grant
- Personnel
 - Staffing assignments for 2027
 - Waiver of Liability (form) This form will be used by QLWA employees or Board members anytime they work on personal property water issues. It absolves QLWA of any liability in the repair. This form has been added to the QLWA website.
 - New Members – QLWA is growing. New members of the last year are listed on Attachment B.

Questions/Answers--Comments/Discussion

QLWA and its Board were commended for the ongoing good performance. No concerns were raised and questions were covered in the meeting presentation.

Adjournment

A motion to adjourn the meeting was made by Jim Chessum, seconded by Bill Kern, and approved by all attendees. The meeting was closed at 11:00.

Respectfully Submitted,

/s/

Robbie Kern, Secretary
QLWA Board of Directors

Attachment A

Quemado Lake Water Association

Profit and Loss
January-August, 2026

	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Total
Income									
QuickWater - Receivables	16,576.49	6,824.44	2,034.01	12,185.38	3,948.16	1,194.48	13,439.20	7,384.13	63,586.29
Southwest NM COG				135,050.75			2,173.22		137,223.97
Total for Income	16,576.49	6,824.44	2,034.01	147,236.13	3,948.16	1,194.48	15,612.42	7,384.13	\$200,810.26
Gross Profit	16,576.49	6,824.44	2,034.01	147,236.13	3,948.16	1,194.48	15,612.42	7,384.13	\$200,810.26
Expenses									
Insurance									
HUB International/Commercial						633.00		955.00	1,588.00
Total for Insurance						633.00		955.00	\$1,588.00
License and Fees									
NM 811	135.00								135.00
PRC Annual Fee				10.00					10.00
Total for License and Fees	135.00			10.00					\$145.00
NM State Engineer						50.00			50.00
Water Rights Filing Fee						50.00			50.00
Total for NM State Engineer						50.00			\$50.00
Office Equipment & Supplies		242.82		154.84			2,141.73	127.22	\$2,666.61
Microsoft				137.87			105.01		242.88
Total for Office Equipment & Supplies		242.82		292.71			2,246.74	127.22	\$2,909.49
Payroll Expenses									
Taxes	142.38	137.28	137.28	142.38	137.28	137.28	142.38	131.28	1,107.54
Wages	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	12,800.00
Total for Payroll Expenses	1,742.38	1,737.28	1,737.28	1,742.38	1,737.28	1,737.28	1,742.38	1,731.28	\$13,907.54
Postage and Delivery		165.00				8.17			\$173.17
Stamps & Certified Mailings								294.00	294.00
Total for Postage and Delivery		165.00				8.17		294.00	\$467.17
Professional Fees									
Audit (Procedurals)					2,636.81	1,130.06			3,766.87
Total for Professional Fees					2,636.81	1,130.06			\$3,766.87

Quemado Lake Water Association

Profit and Loss

January-August, 2026

	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Total
Reimbursement			36.06		58.33		15.91		110.30
System Repairs & Maintenance	1,123.64				578.00	1,028.22	67.47		\$2,797.33
Equipment Repairs									
Repair & Maintenance							116.56		116.56
Total for Equipment Repairs							116.56		\$116.56
Mileage/Water Sample	154.00	154.00	154.00	154.00	263.52	268.56	158.40	272.88	1,579.36
Software and Maintenance	146.37	159.10	495.84	146.37	146.37	292.78	347.42	497.71	2,231.96
USA Bluebook								1,327.46	1,327.46
Total for System Repairs & Maintenance	1,424.01	313.10	649.84	300.37	987.89	1,589.56	689.85	2,098.05	\$8,052.67
Taxes									
State									
Gross Receipts/CRS	485.03	693.37	354.35	92.94	77.52	193.48		631.36	2,528.05
NM Conservation Fee		72.03					54.85		126.88
Total for State	485.03	765.40	354.35	92.94	77.52	193.48	54.85	631.36	\$2,654.93
Total for Taxes	485.03	765.40	354.35	92.94	77.52	193.48	54.85	631.36	\$2,654.93
Training		625.00	625.00	2,198.58	2,230.04	1,250.00		625.00	\$7,553.62
Annual Conference Registration						1,105.00			1,105.00
Mileage							64.08		64.08
Total for Training		625.00	625.00	2,198.58	2,230.04	2,355.00	64.08	625.00	\$8,722.70
Travel							577.44		577.44
Mileage/									
Total for Travel							577.44		\$577.44
Utilities									
Propane		287.50			270.05				557.55
Socorro Electric Co-op									
Tank House	109.77	120.21	123.84	123.84	116.35	112.46	95.95	103.65	906.07
Water Tank	91.06	43.76	44.18	44.83	43.91		44.92	97.09	409.75
Well House	431.85	224.62	214.48	219.52	196.00		224.68	455.19	1,966.34
Total for Socorro Electric Co-op	632.68	388.59	382.50	388.19	356.26	112.46	365.55	655.93	\$3,282.16

Quemado Lake Water Association

Profit and Loss

January-August, 2026

	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Total
STARLINK									
Telephone				135.62	137.53	132.11	129.55	130.60	\$665.41
WNM COMMUNICATIONS	129.78	129.84	132.80						392.42
Total for Telephone	129.78	129.84	132.80	135.62	137.53	132.11	129.55	130.60	\$1,057.83
Total for Utilities									
Utility Truck/Backhoe			515.30	523.81	763.84	2,472.79	550.10	841.53	\$7,235.76
Fuel	15.00		15.00	20.00		20.00	20.00		\$135,050.75
Registration								50.00	50.00
Total for Utility Truck/Backhoe	15.00		15.00	135,070.75		20.00	20.00	50.00	\$135,190.75
Webhost Monthly Fee	79.00	79.00	79.00	79.00	79.00	79.00	79.00	79.00	632.00
Total for Expenses	4,642.88	4,733.53	4,011.83	140,310.54	8,570.71	10,268.34	6,040.35	7,432.44	\$186,010.62
Net Operating Income	11,933.61	2,090.91	-1,977.82	6,925.59	-4,622.55	-9,073.86	9,572.07	-48.31	\$14,799.64
Other Income									
Interest Income	7.88	7.12	7.88	7.63	7.89	7.63	7.88		53.91
Total for Other Income	7.88	7.12	7.88	7.63	7.89	7.63	7.88		\$53.91
Net Other Income									\$53.91
Net Income	11,941.49	2,098.03	-1,969.94	6,933.22	-4,614.66	-9,066.23	9,579.95	-48.31	\$14,853.55

REPORT FOR QLWA ANNUAL MEMBERSHIP MEETING ON SEPTEMBER 5, 2026

CCR: (Consumer Confidence Report) (NMED) If you have questions regarding the tests that have been taken during the year, the results are available on the QLWA Website, www.qlwawater.com

DFA: (Department of Finance Authority) The first two quarters of 2026 have been completed, recorded, and approved by the NM Department of Finance.

PROCEDURAL AUDIT: The audit was completed in May and the receipt of final report received. All pertinent information was completed and recorded at the OSA (Office of State Auditor). The Audit had "no findings" and may be read at: <https://www.osa-app.org/>

WATER BILLS AND EMAIL: If you receive your water bill by email, it is important for you to add the billing address to your email contacts to ensure you receive your email bill each quarter. Bills go out once a quarter the first week of January, the first week of April, the first week of July, and the first week of October. If there are any changes to your phone, email, or addresses, please contact the water office immediately, at: 575-773-4976; or email, at: qlwawater7@quemadolakewater.com

You may pay your bill online using the "Pay Your Bill" tab on the www.QLWAWATER.COM website.

If you would like to begin receiving your water bill by email, please fill out the forms that are available at this September 5, 2026 meeting and turn them in to prior to the end of the meeting.

2026 BUDGET: The 2026 interim budget was approved by the board in December 2025. The final quarter of 2025 and the final budget for 2026 was submitted to and approved by the NM Department of Finance in January of 2026.

2025/2026 SYSTEM OVERVIEW: QLWA has two wells, two water tanks (60,000 and 20,000), and a four-pump booster skid. Well #1 had a new pump and motor installed in 2023 and had the casing and depth inspected in July of this year. The booster skid was replaced in July of 2022. We replaced the booster station generator in April of 2024. Grant funding received in 2022 was used for the replacement of the pump and motor in Well #1 along with electrical work to complete the installation as well as a water line detector, a new chlorinator pump and the new STARLINK for Business internet connection. Any remaining funds were reverted to the state. QLWA received a grant in the amount of \$175,000 for a new Backhoe in 2025. The backhoe was purchased in December of 2025 and delivered in January of 2026. We received two bucket sizes and will be receiving a fork lift unit by the end of the year. Additionally, QLWA received a Planning and Design Grant in the amount of \$140,000 to plan and design a new water tank to replace the fiberglass tank. The work on the design phase has been completed and we are actively seeking grant funding in the amount of \$950,000 for the project. We received, this year, a Capital Outlay grant in the amount of \$250,000 for infrastructure support. This grant may also be used to support the new water tank project.

We have one certified operator, Agatha King, Small Water Operator. We have an operator in training, Eddie Jacques. Steve Stoops, Board Director assists with all water system repairs. The board voted to send additional board members to the annual New Mexico Rural Water Conference this year in anticipation of having more than one certified operator in the community.

Finally, the board voted to retain Souder-Miller and Associates (SMA) as our engineering group to support the water system and infrastructure improvements. SMA is also working with a newly formed

committee, the Asset Management Planning Committee, to design and complete a system-wide Asset Management Plan (AMP) required by the state.

Total Grant allocations for 2020 through 2026 stand at \$1,044,878.00.

COMMUNITY ACCOUNTS: 171 total accounts

159 Metered, 13 Non-Metered, 3 Inactive

TRANSFERS/PURCHASES: QLWA Welcomes the following, 14, new owners as of September 2026:

V11, V12	Taff Land and Cattle, LLC (Rick)
B7	Butler, John and Donna
O6	Carnett, Daniel and Corinne
E3	Funderburk, Jordan and Brittany
J9	Harlan, Paul
Z2	Johnson, Eric
N2	Martin, Dean
N1	Connelly, Michael and Carrie
B9	Pettit, Marcus
G4	Rullo, Tony and Liz
V14	Vargas, Frank (Rene) and Tresha
Y11	Lopez, Frank and Jennifer
A7	Bishop, Daniel and Corinne
J6	McCann, Jeremy, Earl, Maria, and Rachel

CASH FLOW AS OF August 31, 2026:

Beginning Monies Available:

Capital One Money Market (Emergency Fund)	\$116,064.64
QLWA Checking Account	\$ 62,337.81
Petty Cash	\$ 180.45
Total	\$ 178,582.90
+/- Net Income YTD	\$ 14,853.55
Capital Outlay Funding coming available	\$ 250,000.00
Ending Monies Available for 2026	\$ 428,582.90