

MINUTES OF THE AUGUST 13, 2019 REGULAR SESSION MEETING
OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Tash Robb. Director Joe Mainello was present via the phone. There being a quorum present, the meeting was called to order by Chairman Richard McMullen at approximately 6:00 PM.

Saluting of the flags was accomplished.

Approval of Agenda: Director Tash Robb moved to approve the agenda as written. Treasurer Michael Gonzalez seconded. There being no discussion, the vote was called. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye. The motion passed.

OLD BUSINESS

General Manager's Report General Manager gave his report.

The golf course is up and running, it looks good, but needs more water. We only have one person working on the golf course.

The fuel injector system went out yesterday on the grader; we are working on getting estimates, it will cost approximately \$6,500.00. The 1998 GMC has a blown head gasket and needs a new motor, it will cost approximately \$1,500.00.

We have ordered 3 more valves for the filtration system, as soon as they come in it will be back up and running. The level 4 Operator has to sign off on the system before it is up and running. We are still in need of a Level 4 Operator.

I have looked into 4 people that have their Level 4 Operator license. Ray Romas is who we are currently using; his rate is between \$1,300.00 - \$1,400.00. The minimum to negotiate a contract with Rural Water is roughly \$2,000.00 a month with 8 hours per week. There is a Level 4 Operator that currently lives in Cloudcroft we are trying to negotiate with also.

I talked with Joe Bob Shields and the electrician; we need three 9500 watt portable generators. The cost will be approximately \$1,000.00 for each of them.

We fixed a leak and flow meter on Dixwood, and leaks on Merlin and Bacon.

We spent a tremendous amount of money fixing leaks last year. We are trying to regulate overtime, they are doing their best to fix them during working hours. We need the community to work with us on this issue.

We have had 3 coverts that were donated to us to fix the problem on Canyon.

The swimming pool is on schedule. They are closed on Wednesdays; and will shut down September 15th.

Feeding the fish is a problem. Only the game warden can feed the fish.

Treasurer Michael Gonzalez has purchased 3 time clocks for the TWSD staff. We are trying to get them up and running by next week.

I talked to White Sands Construction last week regarding the sidewalks and concrete work. They decided they were not qualified to do the work and passed it on to General Hydraulics. They are sending a guy out next week.

Questions for the GM:

Treasurer Michael Gonzalez asked the GM if he received the quotes for the heating system.? GM replied he talked to someone yesterday, but the person he needed is out of town, he will call again in the morning. Treasurer Gonzalez asked what the status was on the sprinkler pipe that we can't use? GM stated the company replied that it is not their pipe and they were going to discuss it with their attorney. Treasurer Gonzalez asked if the Sacramento road repair has been done? GM, we fixed some of the holes ourselves; we have the material but have not got to the large one yet. Treasurer Gonzalez asked what the minimum amount of hours that are recommended for the Level 4 Operator? GM replied that is on a job to job basis. The State would like them to work 6-7 hours a week. Treasurer Gonzalez asked if the GPS has been utilized through the work order system? GM replied he will find out the status in the morning.

Audience member BF Adams stated that they had problems with the grader a few years ago and thought the County loaned us one. GM replied he couldn't remember when they loaned us one.

Audience member Terry Borzoni stated that back in July it was discussed that the GM would send out a request for volunteer letter out, was this done? GM stated yes, that has already been done, we have had several sign up. Borzoni asked if there was a contact number to report after hours leaks? GM, yes it is listed on the website.

Audience member Sid Benson ask if we were limited to using White Sands or General Hydraulics, he stated he knew a contractor that might be interested? GM replied, no, if you know of anyone please tell them to contact us.

Audience member Harvey English stated he knows several people that would like to volunteer on the golf course, but equipment was broke, has this been fixed? GM replied, Tony is working on the aerator.

Treasurer's Report. Reconciled bank balances as of July 31, 2019: Checking Account \$9,638.60; Water Standby Savings Account \$55,999.50; Water Restricted Reserve Account \$41,590.31; Facilities and Services Savings Account \$87,182.54; USDA Debt Service Savings Account \$5,392.80; USDA Short Term Assed Repl Savings Account \$96,372.14; USDA Construction Loan Account \$850.28.

The yearend Quarterly Report and Financial Statements were sent and have been approved by the State.

\$1090.00 was transferred from back Standby Fees to the Water Restricted Reserve Fund.

Treasurer Michael Gonzalez has started entering the approved budget amounts into each line item in QuickBooks.

Committee Reports.

Budget Committee: During the budget meeting last week, they did a site visit to the Maintenance Barn and looked at the inventory control. They are making progress and getting the area ready to start stocking inventory. There was 2 years that the auditor said we had inadequate inventory control. We need to purchase a bar code scanner and thermal label printer. I believe this will be the best way to start tracking our inventory. We would need someone to take up this job of scanning the equipment that comes in. This would keep us out of trouble and let us be more aware of the inventory we presently have. The software will cost approximately \$1,300.00. Treasurer Gonzalez gave an explanation of tier review.

Treasurer Gonzalez stated only \$780.00 was spent on overtime for the month of July.

The budget has opened up for maintenance and repair of buildings, the budget for this year is approximately \$47,000.00. We have tentatively spent \$12,000.00 on the heating system. The siding on the Lodge is detaching and water can seep in; this will be a major expense.

The next budget meeting is September 12th at 1:00 pm at the Lodge.

Treasurer Gonzales stated he has allocated \$8,000.00 for vehicle replacement. He asked if there was any chance there will be any additional problems going on with the 1998 GMC? GM replied, yes there could be.

Audience member Harvey English stated the budget is a good question, he needs to know what kind of budget we have for the replacement of vehicles. English stated that we have 2 vehicles that are currently unusable. He has been gathering data, but has not had a meeting yet. English personally thinks we are looking at more than one vehicle that needs to be replaced. He does not believe \$8,000.00 is enough; he asked where the money comes from? Treasurer Gonzalez replied, there is an account for vehicles and one for R&M. He asked if English was saying we need 2 new used vehicles? English replied yes, and possibly another ATV. The golf course also needs a vehicle to get around in. Treasurer Gonzalez replied the ATV was bought for reading meters. English stated that we could start going to auctions. Treasurer Gonzalez stated we just signed up to start utilizing auctions today. He also stated that there has been a lot of maintenance issues with the current ATV, we are on the second engine. English replied, that he still thinks we need an additional ATV and a couple new trucks, he asked if they could budget this? Treasurer Gonzalez stated he will look into this, he is sure they can do an additional truck but maybe not an additional ATV. There was much discussion.

Audience member Ardin Schug asked the GM what was going on with the PDR? GM replied, he has not talked to him in two weeks. Schug asked what we are going to do with line replacement? Treasurer Gonzalez stated, we are waiting on the grants from the State. Steven Deal is supposed to give feedback on this before we move forward. Schug stated that we are sitting here with money and not sure what lines to replace!

GM asked how the Board felt about us getting a total count on the disabled vehicles and selling them for junk? Chairman Richard McMullen stated, we just need to get approval from the State.

TWSD employee Dave Hudson asked if the District is able to lease vehicles? Chairman Richard McMullen stated yes we can, we will look into it.

Audience member Burr Holstrom asked if the District keeps maintenance records on all the vehicles? GM replied, yes. Holstrom stated they we could go back and look at the maintenance records and see if the vehicles have been properly maintained.

Inspection Committee: Vice Chairman Clark Clement stated there is not any new updates, just waiting on quotes from the inspections that were done at the Lodge.

Discuss Ray Romas Contract. This item was tabled and added to the Saturday agenda.

Discuss/Approve GM's retirement letter. Treasurer Michael Gonzalez made a motion to approve the GM's retirement letter. Director Tosh Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye. The motion passed. The letter was read by Vice Chairman Clark Clement.

NEW BUSINESS

Approve July 18, 2019 Special Session Meeting Minutes. Vice Chairman Clark Clement moved to approve the minutes as written and dispense with the reading. Treasurer Michael Gonzalez seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye. The motion passed.

Approve July 29, 2019 Special Session Minutes. Treasurer Michael Gonzalez moved to approve the minutes as written and dispense with the reading. Director Tash Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye. The motion passed.

Approve July 20, 2019 Regular Session Minutes. Vice Chairman Clark Clement moved to approve the minutes as written and dispense with the reading. Treasurer Michael Gonzalez seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye. The motion passed.

Discuss utilizing "Metered Potable Water Station/s" by service agreement to those Timberon property owners which have no access to the district water system. Director Tosh Robb stated that when the

springs were drilled, many people that were using this water, can no longer get water. This mirrored an issue in Cloudcroft. Director Robb stated they are trying to come up with a way to provide water to these people. The PRC says we can sell the water by the gallon. Treasurer Michael Gonzalez said there was a notice sent out a couple months ago stating that the Maintenance Barn will no longer provide free water. This is not covered by any of the rules, we have been allowing longtime residents in areas that we do not have water to receive water. There are several areas that we do not provide water to, which include 2 individuals that have health issues. He contacted Cloudcroft to see how they were handling their water issues. Treasurer Gonzalez stated that there is not a lot of people asking for water. There was much discussion. We want to be fair to all the citizens. We have an obligation to provide water to all the citizens of Timberon.

Audience member Shantel Keune stated that if the people do not have water, they do not have a way to get rid of their sewage. This is a huge environmental issue. These people did not have water when they purchased their property. Treasurer Gonzalez stated that we have an obligation to provide water, we have an established agreement with one of the individuals to provide water.

Audience member Mary Gonzalez stated they knew they didn't have water when they bought the property, why should we accommodate them now? Treasurer Gonzalez stated because they are citizens and we have an obligation.

Chairman Richard McMullen stated the biggest concern is what these individuals are doing for sewage.

Audience member Ardin Schug stated he worked on setting the rates, he knows what to do, a base rate needs to be set up for the maintenance of the system. Then set up a rate for what you are going to pay for the water itself. Maybe we can prorate a base rate and add it to the water itself.

Audience member Christina Harper stated she is one of the individuals that do not have water. We would like to have water. We are not asking for a handout. We dump our sewage in a caddy and properly dispose of it.

Audience member Burr Holstrom stated if people are asking for water can we ask them where they are dumping the sewage. Treasurer Gonzalez replied no, we would be singling them out, we cannot do an inspection. There was much discussion.

Audience member Todd Barker asked if anyone has looked at the plat map of Timberon? This situation should have been dealt with a long time ago. It's divided in ½ acre lots that is not allowed to have a septic system.

Audience member Terry Borzoni asked if people were allowed to take a leak outside? She stated she wants the people that come up for the weekend to have water, they build campfires and they need away to put them out. It is important for people to have water. People have been getting water from the maintenance barn for years, I am not sure why all of a sudden it was said that people were abusing the water. We should not deny people water. People use to be able to go to the fire department to get water.

TWSD employee Joe Bob Shields stated he has seen people with water at their house come get water several times a day.

Audience member Walter Smith stated he has an outhouse, he has dug three 5 feet holes in the last 3 years. He does not see how this is going to affect the environment. He was getting water from the Springs; he has been back there for 10 years. He stated he needs a way to get water. He asked how much for 1000 gallons? Treasurer Gonzalez stated Cloudcroft charges 26.8 per gallon.

Audience member Noreen Gonzalez stated that before you set a rate the PRC has to approve it. Cloudcroft only provides water during business hours.

TWSD employee Joe Bob Shields stated that once the water leaves the tap, it is not potable water.

Audience member BF Adams asked if the Water Board approved this one person to provide water? Chairman Richard McMullen stated yes, at one time they probably did. We need to come up with some policy to work out procedures. Once the Board has come up with the procedure, than they have to vote on it.

TWSD employee Jessie stated the sale of metered water needs to be done at the Lodge, the employees cannot take money.

Discuss/Approve General Manager's job description and begin planning stage for the job search process in sourcing the next General Manager. Chairman Richard McMullen read the job description and stated he felt it needs more work. He stated, You might as well hire a Level 4 Operator for this job. There needs to a draw between management skills and knowledge of the water system. Director Robb stated she thinks it needs to say "desired qualifications". We need to find someone that has both skills. The General Manager's job description was passed through the audience. Treasurer Gonzalez read the education requirements. We need to be realistic on what we are looking for. Chairman McMullen stated the qualification would require a salary of \$100,000.00 - \$150,000.00. We cannot all sit down together and develop the job description.

Audience member BF Adams asked what requirements are you going to make about them living in Timberon? Chairman McMullen stated we cannot designate where they live.

Audience member Burr Holstrom asked if we have a job description for every job with TWSD? Chairman McMullen stated, everyone else is union and they have the job descriptions.

Audience member Terry Borzoni stated she has tried for a year to get job descriptions, they do not have them.

Chairman Richard McMullen stated that they could contact the union representative and they can give them the job description.

Treasurer Gonzalez stated, yes we should have them, any effective organization should have job descriptions.

There was much discussion.

Audience member BF Adams stated that we heard there was a new employee at the office and asked if we could introduce her? Chairman McMullen stated no, we cannot legally do that yet.

Mr. Tycksen asked if there was anything in the description that would be a substitute for common sense? Chairman McMullen stated the individuals would be interviewed by the Board. Mr. Tycksen stated that the taxpayers are paying for this person, the taxpayers should have a say in who you are hiring. There was much discussion.

Discuss Granite Mountain Accounting, CPA Daniel Wilson, "Suggestion Letter" regarding implementation of accounting policy changes. Treasurer Michael Gonzalez stated we covered it in last month's meeting, we didn't commit to anything. I see the benefit of having third party feedback. In order for the District to grow and improve we need to take time to look at the systems that we are using. Our system is improving, but there are still things this accounting firm is suggesting we implement; and they will have more suggestions. We have a system with QuickBooks, old school accountants coming into the computer age, sometimes it is hard for them to make this change. One issue is reconciliation of the bank accounts through QuickBooks. Although it is acceptable to do reconciliation outside of the software, there will be discrepancies within QuickBooks. There is 60 months that the reconciliation was not done through QuickBooks. The accounting firm is going to work on 2018 reconciliation and make an adjustment on QuickBooks. I think that because we are a small community people take criticism personally. I have had the opportunity to work with the staff in the office, they have given me everything I have asked for and have been very helpful.

Chairman Richard McMullen, I heard in the past, that when they tried to do reconciliation it crashed the system. Treasurer Gonzalez stated some people do chose not to do the reconciliation on QuickBooks. I do not think this organization has ever tried to do it on QuickBooks

Vice Chairman Clark Clement stated there is a rumor that this accounting firm that has been brought in, is to replace the office personnel. This is not true. We are having problems with always being over budget, the State does not like this. We need to bring our accounting practices up to speed

Director Joe Mainello stated he has only seen this one accounting firm, if we go for a contract with the accounting firm we will have to go through the RFP process.

Audience member Burr Holstrom stated he was involved with this accounting system, his wife and him were both involved in this. We had to do the reconciliation for several months as volunteers. He had 20 something years of setting up accounting systems for big organizations. He tried to get the office up to date on accounting practices.

Audience member Mary Gonzalez asked what the cost is for this accounting service? Treasurer Gonzalez stated they would not exceed \$2,700.00 a quarter. They have a staff and a CPA fees. Gonzalez asked what account is this going to be coming from? Treasurer Gonzalez stated it will be shared. Gonzalez

asked if they were going to go after the money that is owed to Timberon? Treasurer Gonzalez stated yes, we are currently doing this, the GM is working on putting liens on the properties.

Discuss Smile4U letter to TWSD. Chairman Richard McMullen stated this is an individual that owes money, and they are requesting the amount owed be forgiven. The office sent a letter that stated that they are not forgiving the debt. This individual asked for the Board to make a decision.

Chairman Clark Clement stated, this is my pet peeve, if we pay our bills, they should too.

Treasurer Michael Gonzalez stated they purchased approximately 18 lots, there was only one lien on one property.

Director Tosh Robb stated, sorry pay up.

Director Joe Mainello stated it would not be fair to every property owner to forgive this debt. They should pay it and we should ask them to pay it.

Audience member Ardin Schug asked if the Board already voted to tell them no? Chairman McMullen stated that was a different one.

Audience member BF Adams stated this is a major problem with the people owing us, and the County did not know about the debt? Chairman McMullen stated this is an ongoing problem. The County cannot always see what the District is doing. The County has not always implemented the liens that the District are putting on the properties.

Audience member Mr. Tycksen asked what steps are being taken to prevent this from happening? Chairman McMullen stated we have tried several agencies that did collections, they are no longer on contract, we have also tried putting liens on the properties. We have foreclosed on 5 properties, we have looked into trying to sell these properties. We stopped on foreclosing on properties, we are not a real estate agency.

Audience member Terry Borzoni asked if we have some type of law suit against us? Chairman McMullen stated yes, it is still ongoing. Borzoni asked what have we paid on this? Treasurer Gonzalez stated that last year it was \$7,200.00 for the attorney fees.

Audience member Mr. Harper: asked isn't cutting a deal for half, better than getting nothing? Vice Chairmen Clement stated we have talked about it.

Audience member Terry Borzoni asked what have we used the money for that has been collected? Treasurer Gonzalez replied, the well repair; we probably were able to save \$7,000.00.

Audience member Rachele Tycksen asked if they could implement a payment plan? Chairman McMullen stated there is already one in place

Set Agenda for Saturday August 17, 2019 Regular Session Meeting.

- Discuss Ray Romas Contract.
- Discuss utilizing "Metered Potable Water Station/s" by service agreement to those Timberon property owners which have no access to the district water system.
- Discuss/Approve General Manager's job description and begin planning stage for the job search process in sourcing the next General Manager.
- Discuss Granite Mountain Accounting, CPA Daniel Wilson, "Suggestion Letter" regarding implementation of accounting policy changes.
- Discuss/Approve Smile4U letter from TWSD.

Directors Remarks

Director Joe Mainello: It sounds like you had a good audience with a lot of participation. Don't forget about the 5 positions that will be available in December. You must get your application to the Clerk's office on August 27th. If you are going to run for the Board make sure to get your application in.

Director Tash Robb: This was a good meeting. I am looking forward to coming up with a solution to getting water to the individuals without it.

Treasurer Michael Gonzalez: Thank everyone for coming.

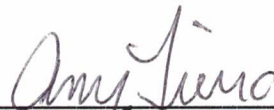
Vice Chairman Clark Clement: I like having the input from the community. There is a lot of Facebook and emails going around. If you want to know the facts come ask us.

Chairman Rick McMullen: The election is coming up if you want to run get your application in. Thank everyone for coming.

Treasurer Michael Gonzalez moved to adjourn the meeting and Director Tash Robb seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez, Directors Tash Robb and Joe Mainello voted aye, and the meeting was adjourned.

Minutes Approved August 17, 2019:

Secretary Amy Fierro



Chairman Richard McMullen

