

MINUTES OF THE AUGUST 17, 2013 MEETING
OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Joseph Mainello, Directors Arden Schug, Edward “Mike” Bovey, Sally Watkins, and Richard “Dick” Dysart. There being a quorum present, the meeting was called to order by Chairman Mainello at 10:00 am.

Saluting of the flags was accomplished.

Approval of Agenda: Chairman Mainello entertained a motion to approve the agenda. Director Bovey moved to approve the agenda and Director Watkins seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Bovey, Watkins, and Dysart voted aye. The motion passed.

Being that the General Manager had left the room to get his glasses, the Treasurer decided to move forward with his own report first.

Treasurer’s Report. Director Schug read the bank balances.

General Manager’s Report. Ron Wyatt, General Manager, gave his report (copy attached to these minutes). The installation of the plant filtration system is complete and the start-up will be in the next two weeks; there will be an open house. He talked to the county about the bridge repair – no updates. Road grading continues. The frequency converter is working great. Still waiting approval from the state engineers for the Springs diversion points. He will be meeting with a Jim Hughes from NAVpoint to discuss leasing of the Golf Course and Recreation Area. The capital outlay grant bonds probably will not be sold until November. He still has to complete paperwork for the water tank grant. He will be purchasing a fireproof safe to store computer backups. He is also looking at fireproofing the storage room in the basement. The F&S late charge and interest rate can be done on the computer program. He is working on installing an extra phone line that customers can call to get updates on any water situation (outages, leaks, etc).

Director Schug asked if the filtration start-up is still scheduled for Tuesday. The GM replied that it has been pushed back one week.

Chairman Mainello asked what benefits will be realized from having this new filtration system. The GM replied that we would have an extra back-up water source, it should reduce the electricity costs by fifty percent, and that we would be using less chemicals because of the ultraviolet light system of disinfection.

Chairman Mainello opened the meeting to audience participation.

Audience member B.F. Adams asked the GM about which grants the governor had stopped. The GM replied that both capital outlay grants for the SCADA system and rewiring of the maintenance shop were

awaiting bond sale. There was some discussion. Chairman Mainello explained in more detail about capital outlay funds.

Budget Committee. Director Dysart stated that the committee has been meeting regularly on Thursday and that the committee has been going over the funds. He stated that they were looking for money to replace vehicles. He stated that the committee could use input from the community.

Audience member, Darrell May asked when the budget committee meets. Director Dysart replied that they meet, here in this building, in the small room on Thursdays at 10:00 am. Director Bovey told Mr. May that if he would give Director Dysart his email address that Director Dysart will start sending him emails about meetings.

Water Rules Committee. Director Bovey stated that the committee is in the final process of reviewing the rules and that the rules are approximately ¼" thick. He explained about the format and content. Once they are updated with the latest information, he will send them to the Water Bureau for review. They should be ready to be sent to the PRC the first week of September. Director Dysart stated that the rules were about 36 pages long. The General Manager stated that the committee should consider having new customers put up a deposit. Director Bovey stated that that should be a part of an advice notice, not in the water rules. Director Schug explained about his conversation with the PRC and that he hasn't gotten a reply from them yet.

Audience member B.F. Adams wanted clarification from the GM about charging a deposit. He stated that we need to run that by the PRC so we don't get sued.

Golf Course Committee. This was not on the agenda, but there was some discussion concerning the Golf Course. The grass is lush and people are playing. Director Schug asked about advertising and the GM replied that we have not been advertising. Director Schug stated that the Blues Festival had a lot of advertising and it brought in lots of people. He stated that we should do the same for the Golf Course.

Audience member Joy Alden stated that TWSD should partnership with TDC and that this community needs to be marketed. The GM brought up that this was discussed in the past and that there may be a problem because of the types of organizations they are. Director Schug stated that we could work with TDC and pay for advertising. Director Bovey suggested that we could contract with them to advertise on the radio. Audience member B.F. Adams thought that TDC was organized to develop the community. Chairman Mainello stated that this was a TDC issue and not a TWSD board issue. Joy Alden said that the two agencies should come together for marketing. Chairman Mainello stated that the GM knows to seek all avenues to promote the Golf Course.

Old Business.

Uncollected fees. Director Dysart discussed the possibility of hiring an attorney for a feasibility study. The attorney proposal was for \$1500.00 with a time limit of 45 days. Director Watkins asked if he would bill as the work was performed. There was some discussion. Director Bovey gave a brief background on what this was about.

Audience member Suzie Sims asked if TWSD has the authority to turn off water for non-payment. Chairman Mainello stated that, yes, we do, however the uncollected fees being discussed was mostly Standby fees and not Water fees. He stated that we really have no leverage to compel Standby customers to pay. There was some discussion. Chairman Mainello stated that we also have F&S annual fees now and some individuals will not pay those. Director Schug moved to hire Mr. Yarbrow to do a feasibility study for uncollected fees for a maximum amount of \$1500.00 to be completed within 45 days. Director Bovey seconded. Chairman Mainello asked for a discussion. The GM asked if the attorney would be looking into the statute of limitations. Director Schug replied that he would. Audience member B.F. Adams said that he had a bad feeling about this and that we might get a lawsuit. He also asked if the attorney would back up his findings. Director Dysart stated that it is only a feasibility study. Director Bovey stated that the attorney will look at case law, mostly for foreclosures, and that we would have the cited case law if we got sued. Director Schug stated that if we got sued and the other side lost, they would be responsible for the legal fees, etc. There was more discussion.

Audience member Noreen Gonzalez asked what the outstanding fees were. The GM replied that it was approximately \$200,000.00 in Standby fees. Chairman Mainello called for a vote. Directors Schug, Bovey, Watkins, and Dysart voted aye and the motion passed. Director Schug stated that our current attorney has completed his duties. Chairman Mainello stated that our current attorney took us through receivership and we will have to retain a new attorney. There was some discussion.

Discuss ICIP. Chairman Mainello gave an introduction to the ICIP; definition and what it does. Five year period, created annually. Director Schug wants the Master Plan added to the ICIP. The GM stated that we need new work trucks and that should be on the ICIP, also pipe. The ICIP is due September 30th. Audience member Noreen Gonzalez asked if there was a back-up plan for the well. Director Dysart stated that we have seven wells that are not connected at this time. Director Dysart further explained the ICIP. Director Schug stated that the engineers did a PER and the other wells were addressed in it. Director Bovey solicited help from the community to look at ICIP priorities. The GM stated that he would make sure a well request is on there.

New Business.

Approval of August 13, 2013 work session meeting minutes. Chairman Mainello entertained a motion for approval. Director Dysart moved to approve the minutes without reading, as written. Director Bovey seconded. There was no discussion. Directors Schug, Watkins, Bovey, and Dysart voted aye and the minutes were approved.

Discuss election timeline. The secretary stated that the deadline for candidates to be on the ballot was November 22, 2013 and that the election would be January 14, 2014. Director Schug stated that candidates must put in for a specific position. There was some discussion.

Discuss purchasing new work trucks. Director Schug stated that some employees were using their personal vehicles on the job and that that was not right. He stated that one TWSD vehicle had a broken frame. He stated that, with state price agreements, we would not have to go out for bid. Director Bovey asked about gently used vehicles. Director Schug said the state doesn't like used. There was

some discussion. Audience member Suzie Sims stated that TWSD needed better control of how the vehicles are run and used. Why are the guys in such a hurry to get to nowhere? A small vehicle can work in certain situations. Chairman Mainello stated that she made a good point and that maybe we need policy and procedures for vehicles.

Audience member Jan Olivieri asked if TWSD would be paying in cash and Director Schug replied in the affirmative. Audience member B.F. Adams wanted to know why we were considering buying new trucks and advertising the Golf Course when we might not have people to drive them because the employees were still not back on fulltime. Chairman Mainello stopped him and stated that that was off topic. B.F. Adams said we should consider putting employees back at fulltime before spending money on trucks. Director Schug stated that without water operators, we can't take care of the water system and without water, we don't have a community. Director Schug moved to have the General Manager make recommendations for purchasing trucks and at what price and type. Director Dysart seconded. The GM asked how many trucks. Director Schug replied two small and one large truck. The secretary read the motion. Directors Schug, Watkins, Bovey, and Dysart voted aye and the motion passed. **Action item for the GM.**

Resolution for term limits for board members. The secretary read the resolution. Director Bovey moved to approve the resolution and Director Watkins seconded. There was clarification that it was not term limits, but term lengths which is how the resolution reads. Chairman Mainello called for a vote. Directors Schug, Bovey, Watkins, Dysart voted aye and the resolution was passed.

Discuss F&S late fees and interest. Director Schug stated that the problem was solved.

Discuss RFP for a new attorney. Director Bovey moved to have the General Manager prepare an RFP for attorney services. Director Dysart seconded. There was some discussion. Director Dysart stated that it was foolish not to have an attorney on retainer. Director Schug asked if we needed an RFP and was told yes. There was more discussion. Chairman Mainello called for a vote. The secretary read the motion. Director Bovey moved to amend the motion to add "submit to the board for approval" and Director Dysart seconded. Director Watkins asked if TWSD could use the county's attorney. Director Schug stated that the county could not represent TWSD because there might be a conflict of interest. Chairman Mainello again called for a vote. Directors Schug, Bovey, Watkins, and Dysart voted aye and the motion passed. **Action item for the GM.**

Discuss info sheets for new customers. Director Bovey moved to have the GM and staff prepare and info sheet for new customers and submit to the board for approval. Director Schug seconded and stated that it should include phone numbers and rates. Chairman Mainello called for a vote. Directors Schug, Bovey, Watkins, and Dysart for aye and the motion passed. **Action item for GM and staff.**

General Manager Review. Chairman Mainello stated that this should be done in an executive session.

Director Schug suggested that the board should do the directors remarks and public invited to be heard before the board goes into executive session.

Directors' Remarks.

Director Watkins thanked all for coming; nice to see participation.

Director Dysart thanked all for coming and stated that "we need your help."

Director Bovey expressed his thanks for the input and asked for participation in committees.

Director Schug stated that there were lots of things going on with the water system and that the frequency converter solved a lot of the problems.

Public invited to be heard.

Audience member Mrs. Olivieri asked if the employees needed more hours; if there was enough for them to do. Director Bovey stated that it was the manager's job to schedule the employees. Director Schug stated that it also had to fit into the budget. Audience member B.F. Adams asked about what constitutes overtime. The secretary explained that anything over forty hours a week is overtime. B.F. Adams stated that there was plenty of work for a forty hour week. Chairman Mainello suggested that the GM come up with recommendations for the board. **Action item for GM.**

Chairman Mainello thanked all for coming. We will attempt to have shorter meetings in future. He thanked audience member and employee Bill Morley, the GM, and the secretary. He said he couldn't find fault with the employees of the district.

Director Bovey moved to go into executive session for personnel issues; specifically the GM review. Director Schug seconded.

Pursuant to New Mexico Open Meetings Act Compliance Guide, Seventh Edition 2010, Section III, Paragraph H, Chairman Mainello called for a roll call vote. Director Dysart voted yea, Director Schug voted yea, Director Bovey voted yea, and Director Watkins voted yea and the board went into a closed executive session.

At approximately 2:30 pm Chairman Mainello called for a roll call vote to come out of executive session. Director Dysart voted yea, Director Schug voted yea, Director Watkins voted yea, Director Bovey voted yea and the board came out of executive session.

Chairman Mainello stated that the board had conducted an annual review of the GM and that no decisions were made.

Chairman Mainello entertained a motion to adjourn. Director Dysart moved to adjourn and Director Schug seconded. Directors Schug, Bovey, Watkins, and Dysart voted aye and the meeting was adjourned.

Minutes Approved September 17, 2013: Secretary Linda Martin_____

Chairman Joseph Mainello_____