

MINUTES OF THE JULY 20, 2013 MEETING
OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Joseph Mainello, Directors Arden Schug, 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 Schug moved to approve the agenda and Director Dysart seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye. The motion passed.

Director Schug made a motion to go into executive session with an attorney to discuss possible/pending litigation. Director Dysart seconded. There was no discussion. Chairman Mainello called for a roll call vote. Director Dysart for yea; Director Schug voted yea; Director Watkins voted yea; Chairman Mainello voted yea pursuant to New Mexico Open Meetings Act Compliance Guide, Seventh Edition 2010, Section III, Paragraph H, Part 7 Litigation, the board went into a closed executive session at 10:10 am.

Director Dysart moved come out of executive session at 11:00 am. Director Watkins seconded. There was no discussion. Chairman Mainello called for a roll call vote. Director Dysart voted yea; Director Schug voted yea; Director Watkins voted yea; Chairman Mainello voted yea.

Chairman Mainello stated that matters discussed in the executive session were limited only to the discussion of possible litigation.

General Manager’s Report. Ron Wyatt, General Manager, gave his report (copy attached to these minutes). The FY2012 audit was approved by the State Auditor. The GM talked to Ron Griggs, State representative, about capital outlay; we should be eligible in October after a bond sale. The state engineer helped fill out the form for two diversion points. The filtration system is almost finished. Shantel will not be running the swimming pool next year, but Paula Rivera-Paulik has agreed to run it. TWSD has been removed from “at risk” status. Rural Water Association member was here to help find leaks. There’s no answer yet on large grant. The action item list has been updated. The frequency converter has been installed and is working.

Chairman Mainello opened the meeting to audience participation. He stated that the board wants to make sure public knows what is going on. He stated that the ground rules are to hold up hand and be recognized; to state name and come to microphone.

Audience member Michael Gonzalez asked the GM if TWSD has a spare pump and driver. The GM stated that we have a backup pump, but didn’t know about the driver. The GM will find out and let him know. Mr. Gonzalez wanted to know how long the pump runs; GM replied 16 to 18 hours. Mr. Gonzalez

wanted to know if there were plans to use the springs. Director Schug stated that the amount of time of well use depends on demand; Director Dysart stated that everyone needs to be aware that the water goes from the well to a holding tank by the well, then pumped to a storage tank. The pump should not be running full time. The General Manager stated that he will request colonias funds for a master plan.

Audience member Noreen Gonzalez asked if there was a back-up plan to replace pipes if no grants are available. The General Manager replied, yes, somewhat, but first we must have a master plan because we've got to change out old piping. Chairman Mainello stated that we definitely need to have master plan; will have to be phased in to change out pipe. There was some discussion.

Treasurer's Report. Director Schug read bank statement balances as of June 30, 2013. He stated that this was a new Fiscal Year and he'd talk about the budget later. Audience member and employee John Thorell said that we should be advertising the golf course; that we need to get the word out. Audience member Michael Gonzalez asked about what was owed on the judgment. Director Schug replied that we don't know who to pay at this time, but that we are accumulating funds to pay the judgment and that the money we owe is in the budget.

Committee Reports.

Budget Committee. Director Dysart stated that the committee has an initial FY2014 budget and a final FY2013 budget prepared. Director Schug stated that the budget meetings are open to the public. Director Dysart appealed to the audience for help. Audience member B.F. Adams asked if there was a list to tell people when the committee was meeting. Director Dysart said there is a meeting every Thursday at 10:00 am. Audience member Michael Gonzalez stated that the committee needs to think about budget and need to make sure people are not getting one hundred dollar water bills. He stated that there is no excuse for the judgment. Director Dysart stated that we are paying for mistakes that were made in the past. Audience member Michael Gonzalez stated that the community demographics can't afford to pay more. Chairman Mainello stated that the board is doing the best for the community.

Water Rules Committee. Chairman Mainello stated that the committee is continuing to work on rules. The original format was a template from the Public Regulation Commission. Since 2003, we have been going by a revised format adopted by a resolution dated January 1, 2003. The district is now under the PRC and has to go by the prescribed PRC format. He hopes to have something by the next meeting to present to the board.

Golf Course Committee. The General Manager stated that the employees were doing a great job. He has talked to some leasing companies and will follow up with them. Chairman Mainello asked what the Golf Course was costing. The General Manager replied that it is about \$30,000. Chairman Mainello asked how many golfers were using the course. The General Manager replied that there were about half a dozen on average. Audience member and employee John Thorell thinks we are doing great and the carts are ready to be used. Director Dysart asked if the GM has thought about cattle prods. John Thorell stated that there was no sign of cattle. Audience member Noreen Gonzalez stated that the web site showed that the golf course was closed. The GM said we'd get that changed. Audience member and employee Todd Hacker asked what the cost would be to lease the golf course. The GM replied that

everything is on the table. Todd Hacker stated that the course looks great. There was much discussion about making an effort to get the golf course used; lots of possibilities. Michael Gonzalez stated that whoever leased golf course would want water and that should be a part of the lease agreement and that, until the water system is straight, TWSD should think about contractual agreements. Director Schug stated that the course was in really bad shape and that's why it was closed. Also, that, yes, we should advertise it now and try to recoup some money. We need to get people up here. The GM said that if Michael and Todd want to be on Golf Course Committee, it would be appreciated.

Old Business.

Discuss ICIP. Director Schug stated that he would like input from the public to make a five year plan. Chairman Mainello stated that these funds could be used for existing or new assets. Director Dysart stated that the ICIP was a compilation submitted to the state legislature. There was some discussion and explanation of how ICIP works. Audience member and employee Todd Hacker suggested that TWSD do something with the tennis court. There was more discussion about improvements. Chairman Mainello stated that our main focus had to be the water system.

New Business.

Approval of July 16, 2013 work session meeting minutes. Director Schug moved to approve the minutes without reading, as written. Director Dysart seconded. There was no discussion. Directors Schug, Watkins, and Dysart voted aye and the minutes were approved.

Approval of the FY13 final budget. This item was struck as it was not needed.

Approval of the FY14 initial budget. Director Schug described all the things that were put in the budget. Chairman Mainello asked for questions. Director Dysart stated that the income forecast and budget was based on the past year. He stated that there was no change on income or expense. Chairman Mainello entertained motion to approve FY14 initial budget. Director Dysart moved to approved initial budget and Director Watkins seconded. The secretary read Resolution 2013/2014-002, Approval of Fiscal Year 2014 Initial Budget. Director Dysart removed his initial motion and Director Watkins removed her second. Director Dysart moved to approve Resolution 2013/2014-002, Approval of Fiscal Year 2013 Initial Budget and Director Watkins seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye and the resolution was adopted.

Approval of the Fiscal Year 2012 audit. Director Schug moved to approve the Fiscal Year 2012 audit prepared by Kriegel, Gray, Shaw & Co PC and submitted to the Office of the State Auditor. Director Dysart seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye and the FY12 audit was approved.

Set F&S fee. Director Schug moved to leave the F&S (Facilities and Services) fee at \$30.00 for the coming year. Director Watkins seconded. Director Schug stated that they worked hard on finance and budget and that this F&S fee really helped balance the budget. Director Dysart felt that \$30.00 a year was not an undue burden. Audience member Noreen Gonzalez asked if TWSD was going to send a letter

with the bill. Director Schug stated that we could put the information on the web site to save money on postage. Director Mainello stated that some people ignored charges and that we have outstanding uncollected funds. He brought up late fees and interest. Director Watkins stated that she thought late fees were a good idea. Director Dysart stated that some people still will not pay. There was much discussion. Director Mainello wanted it as a matter of record to start charging late fees and interest. Audience member Noreen Gonzalez asked why people weren't paying. She stated that it would probably be a good idea to put on the web site what the funds would be used for. More discussion. Director Dysart agrees that on the next billing cycle, put on the billing cards that a late fee and interest would start to be charged. Director Schug proposes a 10% interest charge and a \$10.00 late charge. Noreen Gonzalez asked what the late fees were for standby and was told we couldn't charge those because they weren't approved by the PRC. F&S charges don't fall under the PRC. Michael Gonzalez complained that some people pay standby fees and then want a meter installed and it takes eight months. Director Schug amended his motion to charge a \$30.00 a year F&S charge to include a \$10.00 late fee and a 10% interest charge one month after due date. Director Watkins seconded. Director Dysart stated that, if he understood correctly, if the customer pays after sixty days, they would incur a late fee, but no interest until the following bill is issued. Chairman Mainello called for a vote. Chairman Mainello, Directors Schug, Watkins, and Dysart voted aye and the motion passed.

Discuss tax levy. The General Manager was told by the DFA that it was impossible to increase the tax levy. There was some discussion.

Change "Budget" Committee to "Finance" Committee. Director Schug moved to change name of Budget Committee to Finance Committee. Director Dysart seconded. Director Schug stated that the committee need to keep tighter reigns on different funds and to make sure spending is being done out of correct funds. He stated that that's a finance function and the name change would properly reflect the function of the committee. Audience member B.F. Adams asked if he was proposing to change the function of the committee. Director Schug replied, yes, to oversee spending. Director Dysart asked if this would cause changes to the by-laws. There was some discussion. Director Schug will work on changing by-laws. Chairman Mainello called for a vote. Chairman Mainello, Directors Schug, Watkins, and Dysart voted aye and the motion passed. ***Action item for Director Schug.**

Discuss receivership/hearing. Chairman Mainello announced that the next hearing would be July 26, 2013, at 11:30 am. He stated that TWSD had met all the requirements to be taken out of receivership and that a motion would be made to terminate receivership.

Director Dysart quoted from by-laws concerning revisions. He stated that the revisions have to be on the agenda at two meetings.

Directors' Remarks.

Director Dysart had no remarks.

Director Watkins thanked the audience for coming and said she would see them Friday in court.

Director Schug thanked the General Manager for the improvements to the water system. Now we have money from grants and the General Manager is doing a fantastic job in getting them.

Chairman Mainello asked if the audience had any comments. Audience member, B.F. Adams stated that he had a folding machine that he was willing to lend to TWSD. The board thanked him for the offer. Audience member Eva Dysart stated that the board is working hard or harder than it's ever had before. B.F. Adams stated that the same can be said for the GM, Ronnie Wyatt.

Director Schug stated that he thought an evaluation was due for the General Manager.

Chairman Mainello thanked the secretary. He also thanked the audience for showing up. He seconded what Director Schug had to say about Ronnie Wyatt doing a great job. He will be going to Truth or Consequences for the hearing. He also asked the board for input to the progress report.

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

Minutes Approved August 13, 2013: Secretary Linda Martin _____

Chairman Joseph Mainello _____