

REGULAR MEETING MINUTES
Board of Directors of Timberon Water and Sanitation District
Tuesday, March 26, 2024 - 4:00 pm
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

Vice Chair Mark Harding called the meeting to order at 4:00 pm.

Pledge of Allegiance

Salute to the New Mexico Flag *"I salute the flag of the state of New Mexico, the Zia symbol of perfect friendship among united cultures."*

ROLL CALL

Vice Chair Mark Harding, Treasurer Edward Hardesty, and Director Terri Borzoni were present at the meeting, Chairman David Cruvey attended by telephone.

APPROVAL OF AGENDA

Treasurer Hardesty made a motion to approve the agenda. Chairman Cruvey seconded the motion. A vote was called. Treasurer Hardesty voted yes, Vice Chair Harding voted yes, Chairman Cruvey voted yes, Director Borzoni voted No. The motion passed.

MANAGER'S REPORT

Vice Chair / Interim General Manager Harding gave his report:

In the past two weeks (since our last regular board meeting on March 12)

1. Three water line leaks were repaired, and another is being repaired today.
2. One meter box leak was repaired.
3. Three new water service meters were installed, and we have one install pending.
4. We still need two lifeguards to open the pool. One application has been received as of today, I don't know if they are qualified. So if you know someone who is qualified, get them to apply.

An audience member asked if there was any way we can be exempted from the lifeguard rule, the answer was no.

Chance Guiles spoke for the pool committee to let everyone know that they are actively seeking lifeguards.

TREASURER'S REPORT

Treasurer Hardesty gave his report on the bank account balances:

Standby \$58,703.72

General Operations \$97,926.39

Emergency Savings \$85,999.59

F&S \$60,919.17

USDA Main \$166,907.57

USDA Checking \$7,924.80

USDA Loan Payment \$876.02

OLD BUSINESS

1. Discuss/Approve Regular Meeting Minutes of March 12, 2024.

There was no discussion. Chairman Cruey made a motion to approve the March 12th meeting. Treasurer Hardesty seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to approve the March 12th meeting minutes passed.

2. Discuss/Approve Special Meeting Minutes of March 17, 2024.

There was no discussion. Treasurer Hardesty made a motion to approve the March 17th meeting. Chairman Cruey seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to approve the March 17th meeting minutes passed.

NEW BUSINESS

1. Discuss/Approve Resolution #2023/2024-015 TWSD Advice Notice 20 – Proposed Water Rate Increase – General Metered Service – Proposed Twelfth Revised Original Rate No. 1 Cancelling Eleventh Revised Rate No. 1 General Metered Service.

Treasurer Hardesty read the resolution aloud.

There was some discussion among the board and the audience about the reasons for the rate increase.

Treasurer Hardesty made a motion to approve Resolution #2023/2024-015. Chairman Cruey seconded the motion. A vote was called. All voted in favor, none opposed. The motion to approve Resolution #2023/2024-015 passed.

2. Discuss/Approve Resolution #2023/2024-016 TWSD Advice Notice 21 – Proposed Special Fees and Charges – Proposed Fourteenth Revised Original Rate No. 2 Cancelling Thirteenth Revised Rate No. 2 Special Fees and Charges.

Treasurer Hardesty read the resolution aloud.

There was some discussion among the board and the audience about the reasons for the rate increase, and why the Standby fees were not raised with this rate increase.

Treasurer Hardesty made a motion to approve Resolution #2023/2024-016. Chairman Cruey seconded the motion. A vote was called. All voted in favor, none opposed. The motion to approve Resolution #2023/2024-016 passed.

3. Authorize the transfer of \$5,134.32 from F&S account to Operations account for Lodge water service line repair.

Chairman Cruey made a motion to authorize the transfer of \$5,134.32 from the F&S account to the Operations account. Treasurer Hardesty seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to authorize the transfer passed.

4. Authorize the transfer of \$1,676.63 from F&S account to Operations account for road maintenance on Arrowhead Ave. and Southern Pacific Dr.

Treasurer Hardesty made a motion to authorize the transfer of \$1,676.63 from the F&S account to the Operations account. Chairman Cruely seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to authorize the transfer passed.

5. Authorize the transfer of \$10,000.00 from F&S account to Operations account for Timberon Community Pool.

Vice Chair Harding explained that this amount was half of the budgeted amount for the pool for the 2024 season and was needed to move forward to get the pool opened. There was input from the audience and the newly formed Pool Committee.

Treasurer Hardesty made a motion to authorize the transfer of \$10,000.00 From the F&S account to Operations account for the opening of the pool. Chairman Cruely seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to authorize the transfer of funds passed.

6. Discuss/Approve/Disapprove the sale of TWSD owned real estate located at 90 Pleasant Valley Dr., currently leased to the High Country Lounge & Grill (aka DTI). Pending legal review.

Chairman Cruely expanded on the details of the agenda item which entailed due diligence and a conversation with the attorneys on the feasibility of getting the property sold, as he is not in favor of putting any more money into the bar and it would be better maintained in private hands.

Director Borzoni commented that TWSD does not support the bar, they just rent our building, they hire their own employees, the DTI/High Country Lounge & Grill is a business that we have chosen to lease our building to.

Tony McWilliams (as the Vice Chairman of DTI) provided some details of the current lease which stipulates that DTI is charged a minimal rent amount (\$250.00 a month) provided they took over general maintenance for anything under \$2,500.00 in repair costs. Over \$2,500.00 would be shared by TWSD and DTI at 2/3 to 1/3 split respectively. To date, DTI has made over \$14,000.00 worth of repairs to the building (and has the records for it) and has not charged TWSD for any of it. That amount works out to \$738.00 a month for the time this current lease has been in effect. So the insinuation that the TWSD is supporting the bar is not correct. Don Wiklund offered some insight on the history of the "bar".

Audience member Gary Tedford noted that – in order to sell it – it would have to be brought up to spec anyway and that would be quite expensive given its current condition.

There was more discussion, and some questions about attorney fees.

A motion was made by Treasurer Hardesty to table this agenda item pending legal review.

Chairman Cruely seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to table passed.

7. Discuss the DTI (High Country Lounge) lease that expires June 1, 2024 (tabled from a previous meeting).

Audience member Clark Clement gave some history on the previous negotiations to the DTI lease, and the reason that the rent was low was because it was costing TWSD more to

provide a water operator to do repairs and maintenance, than it would to have a lower rent amount and have DTI do their own repairs.

Tony McWilliams stated for the record: "When you guys put this on the last regularly scheduled board meeting agenda to discuss this, no one from this board contacted anyone from DTI to find out if they could attend the meeting. And the reason I think it got tabled is because Neenah called Spanky and said everybody that has authority is out of town and not able to be at that board meeting. To me, that was uncourteous, and I would hope that you would treat other people better than you treat us on that particular case."

It was suggested that the DTI could form a committee and come up with a date to sit down with the TWSD board members and figure out a date for lease negotiations.

There were some inquiries about our various attorneys and the cost. Director Borzoni noted that the public is allowed to look at that, all one has to do is put in an IPRA or just come down to the office and we can show you the file. Audience member Ilene Ricketts asked if all these attorney fees were itemized and what was the reason we have all these attorneys. Vice Chair Harding answered yes, everything is itemized, and available for public inspection with the exception of pending litigation or current open cases and attorney-client privileges. Our attorneys include: a PRC attorney who is our 'water attorney', and we have another attorney in the same firm who does our basic legal duties and handling complaints. The most current complaint cost us \$27,000.00 and it came out of our Operations fund.

Treasurer Hardesty made a motion to table this discussion until a date for negotiations could be decided. Chairman Cruvey seconded the motion. A vote was taken. All voted in favor, none opposed. The motion to table passed.

8. Fire Chief Tony McWilliams presentation on the importance of keeping the Golf Course and the Pool available as safety zones and fire protection.

Chief McWilliams gave a short presentation on the fact that the pool holds approximately 90,000 gallons of water, and the golf course ponds (when full) would hold around 15 million gallons of water that can be stored on the golf course. This is water that is not coming out of your household drinking system. That equates to a huge amount of firefighting resources. Additionally, the golf course greens and fairways are 136 acres of clear manicured area, so if the two exits out of Timberon are blocked due to a forest fire, we can go there and we can survive. About \$250,000.00 was spent last year just doing grant thinning around the golf course on TWSD land to make it easier for the grass to make it. We should keep the golf course as is for fire safety and a defensible space.

9. Don Wiklund presentation / discussion on the feasibility of seeking donations of delinquent properties to re-sell and raise funds for Timberon / TWSD amenities and operations.

Don Wiklund spoke on the issue of the out of state 'carpetbaggers' that buy up Timberon properties for 10c on the dollar and sell them at a huge profit. He suggested that TWSD investigate acquiring properties with delinquent fees, as a donation, re-sell them and use

the money for the Timberon facilities, so that money would stay in Timberon. There were some questions and discussion from the audience about the logistics of a sale, whether it would be a tax deductible donation, and whether the TWSD as a government entity should solicit customers for their land, or if it could go through the TDC (a 501c3) or a separate non-profit established to benefit the community.

Audience member Connie Shields asked about the water rate increase (agenda items 1 and 2), and how to go about disputing it with the PRC. She offered to help with that for people that disagree with the upcoming rate increase.

Audience member Chance Guiles asked if TWSD would be agreeable to having a third party lease the pool and or the golf course for a nominal sum and manage the day-to-day functions of those properties. Vice Chair Harding answered that he thought that is probably something that we are allowed to do.

10. Notice of BOD seat opening. Resumes for the open Director seat will be taken until the April 23, 2024 Regular Meeting, and the Board will vote on a replacement at that meeting.

Vice Chair Harding notified the audience that since the passing of TWSD board member Paul Hagemann, a director's seat is now open. The board will be taking resumes until the 8th of April meeting and will vote on a replacement at that meeting. So if you all want to really participate, join the board.

Public Question and Answer Session: Have a question and want an answer? Ask the Board.

An (unidentified) audience member asked about the water loss notification letter that was recently mailed to TWSD ratepayers, and if we will face any repercussions by the state. Vice Chair Harding answered that they will start fining us if we don't do something about it. He went on to say that we have been submitting grant applications, and we just got a capital outlay for half a million dollars toward replacing tank #3.

Audience member RH Sherman asked if the board has a plan going forward like in 5-10 years are we going to have the system the way we want it to be. Vice Chair Harding answered that yes we are moving forward, but it will take some serious grant funding, like several million a year. He went on to explain the various kinds of grants or loans that are available and that TWSD is applying for them all the time. It would take at least \$40 million to get this system up to the way it should be quickly. However, it is very difficult to get large grants because the district is just too small. But if we are persistent and keep getting grants of a couple million a year, in 10-15 years we might have a pretty decent water system.

An (unidentified) audience member asked if interim General Manager Harding could put together a letter of the costs that we are facing, and then maybe people would understand why we have to raise the rates. GM Harding gave an answer to that question – “well we

have about 120 miles of water line, we just got done putting a new water line from the golf course well up to the treatment plant, 7,300 feet of 4-inch water line, and it cost \$98.00 a foot to put it in. That includes the contractor, materials, engineering, and all of that.”

Another (unidentified) audience member asked if the rates were different depending on whether the customer was commercial or residential. Vice Chair Harding answered that they were the same, but the new rates will be tiered, so if a commercial property uses more water, they will pay a higher price the more they use.

DIRECTORS REMARKS

There were no directors’ remarks.

Treasurer Hardesty made a motion to adjourn the meeting. Chairman Cruvey seconded the motion. A vote was called. All voted in favor, none opposed.
The meeting adjourned at 6:00 pm.

Approved 4/9/24

Chairman David Cruvey [Signature]

Secretary Nanette Thorell [Signature]

