

MINUTES OF TWSD BOARD OF DIRECTORS REGULAR SATURDAY MEETING AUGUST 15TH, 2009

Present for the meeting were Chairman Arden Schug, Vice Chairman Burt Rubinowitz, Treasurer Joe Mainello, Director Virgil Beagles and General Manager Dr. Martin Moore. Absent was Director Pete Bowidowicz.

Pledge of Allegiance

Salute to New Mexico Flag

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

Approval of Agenda

Motion: Joe Mainello "Accept the Agenda as presented".

Second: Burt Rubinowitz. Unanimously approved.

Minutes of 7-18-09 – Read by Secretary Charlie Ross.

Motion: Joe Mainello "Accept the minutes as corrected".

Second: Burt Rubinowitz. All voted aye except Virgil Beagles who abstained.

Minutes of 7-30-09 – Read by Secretary Charlie Ross.

Motion: Burt Rubinowitz "Accept the minutes as corrected".

Second: Joe Mainello. All voted aye except Virgil Beagles who abstained.

Treasurer's Report: Joe Mainello said we are still in the process of reconciliation so there will not be a treasurer's report.

Manager's Report: Dr. Moore said we have had a new person assigned to us in the Community Services Bureau in the DFA. We contacted them about two very delinquent reimbursements due us, FEMA roadwork and roof repair funds, we thought we should have received in April. Additionally we hired temporaries to help get us caught up on pending grant projects. They told us to fill out a new form on the roof repair funds and they then told us we should get reimbursed in a week or two. He called the Director of the State Board of Finance and told them we needed money to meet payroll. She emailed Robert Apodaca and Homeland Security saying we needed reimbursement now. DFA responded that they would expedite reimbursement. He was also going to visit the Homeland Security office when he was up in Santa Fe next week to tell them we needed our money quickly. He has notified Robin Gould that on the 23rd we will have additional layoffs unless funds are received. From now on we will courtesy copy the Director of DFA on situations like this and have someone who is sympathetic to watchdog it for us. The filter system is being built and expected to be on time. We've had no community-wide outages. Ginger Herndon, purchasing agent for Otero County, contacted the swimming pool contractor and told them the situation was unacceptable and that skimmers are part of the contract. The bank statements are available but not here now so I will be emailing them to all board members. The golf course personnel have been doing a great job for two people and we've been getting compliments. There is no new information on workers comp and we have a new person picking up the ball on this and he will follow up on this Monday.

Old Business:

1. Report on Directors Visit to Auditors

Statement: Virgil Beagles stated he had been called by the auditors and asked for input and he had been told the rest of the board would also be contacted. Chairman Schug, Burt Rubinowitz and Joe Mainello said they had not been contacted.

Motion: None.

Second: None.

Discussion: None.

2. Bids for Sacramento Road Water Line Project
Statement: Chairman Schug said the two firms who had bid on the project were called and informed we would have to get a loan to complete the project. No bids could be accepted until we know we can get a loan. Virgil Beagles said we need to look at the bids and either accept or reject them.
Motion: Joe Mainello "Reject the two bids submitted due to the fact they were way over the amount of monies we had in order to complete the project".
Second: Virgil Beagles. All voted aye accept Chairman Schug who voted nay.
Discussion: Burt Rubinowitz asked if it was possible to postpone awarding of the bid until we have the funds available?. Chairman Schug said we would have to consult with our purchasing agent to determine that. Chairman Schug stated he voted nay because he wanted to see if it was possible to postpone accepting the bids.
3. Approve Resolution to Submit Rural Improvement Program (R.I.P.) Loan Application
Statement: Dr. Moore said this loan is for the Sacramento Road line project and this is the only source out there now. There are only two sources of funding for this we can use without going to an election, the standby fees if the state allows it, or a metered water fund. The interest rate is about 3% and it would be for \$200,000. Chairman Schug inquired as to whether we could pass the resolution without the funding designated and Dr. Moore replied no this should be postponed until DFA tells us which funding we can use.
Motion: Burt Rubinowitz. "Postpone the resolution until the funding issue is resolved".
Second: Joe Mainello. Unanimously approved.
Discussion: None.
4. Select Finalists for Water System Master Plan Proposal
Statement: Virgil Beagles pointed out that Livingston should not be considered because they did not submit their proposal by the 2:00pm deadline. Dr. Moore confirmed that their proposal did not arrive until 3:30pm. Virgil Beagles read from the Request for Proposal (RFP) the language which supported his position that Livingston should not be considered. Chairman Schug asked if there was a motion to exclude Livingston. Virgil Beagles stated there shouldn't be a motion as they did not meet the terms of the RFP and he also pointed out that the legal liabilities if they were considered. Chairman Schug told Dr. Moore to inform Livingston why they were not considered. The board filled out the technical rating forms on the remaining 3 proposals. Chairman Schug totaled the evaluations from each board member present and announced the scores.
Motion: Virgil Beagles "Invite the Group and CE&M in for a presentation and cost estimate in a closed session in the morning preceding next month's regular Saturday meeting".
Second: Burt Rubinowitz. Unanimously approved.
Discussion: Joe Mainello asked Chairman Schug why it would be in closed session and he explained you can't discuss prices and such with contractors in public. Dr. Moore said that proprietary information may be discussed and that should be done in private.
5. [Update on swimming pool](#)
Statement: See Manager's report.
Motion:
Second:
Discussion:
6. [Update on workman's comp](#)
Statement: See Manager's report.
Motion:
Second:
Discussion:
7. [Report on Last 3 months of all bank statements](#)
Statement: Dr. Moore stated he didn't have them here but would fax or email them to all board members.
Motion: None.

Second: None.

Discussion: None.

8. Update on Audit

Statement: Dr. Moore said he had an email from the auditors requesting information which he would forward to the board. They have pointed out irregularities and are investigating accusations of potential fraud in the 06/07 and 07/08 fiscal years. There is also a mixing of apples and oranges in information and requests for information between fiscal years. He is working with them to insure the correct information is plugged into the right place for those fiscal years. Additionally they have asked we give them more complete information in some other areas such as Homeland Security grants and contracts. He had been in touch with Jeff McCorder, the boss, to make sure this audit was clean, untainted and any concerns of violations are investigated and any paper or files they need to look at are available. He also said the state auditors were welcome to come and help investigate any purported irregularities or accusations and everything would be made available. The audit is currently on hold because they are waiting on guidance from the state Auditors Office. Virgil Beagles asked Dr. Moore to clarify with the auditors about the auditors not contacting the rest of the board. Dr. Moore said he would write the auditors requesting they also contact the other members of the board.

Motion: None.

Second: None.

Discussion: None.

9. Update on Reconciliation of Books

Statement: Sharon Northcut said we have converted to Quickbooks. She had posted and reconciled from July 1st, 07 to June 30th, 08 although they are not finalized. Dr. Moore is going to Santa Fe for any updates to rules and regulations which may affect us. She gave a status of her progress on the different accounts explaining she had used the actual receipts to do this. Virgil Beagles asked if she could give us the amount available in our bank accounts. She said not as of today but for June 30th of 2008. She stated in order to finalize she would need the balance forward from the auditors. Chairman Schug said the audit process was year by year starting with 06/07 and as each is completed that will give us the starting figures for the next year. Joe Mainello explained that nothing ominous happened, just that expenses were not recorded properly. Chairman Schug said that back when we had the bankruptcy, everyone was laid off and we had a new accounting software system which we didn't have trained people for and Sharon has tackled that and done a marvelous job.

Motion: None.

Second: None.

Discussion: None.

New Business:

10. Update and Revise Personnel Policy

Statement: Dr. Moore requested formal direction from the board to commence the update and revision of the TWSD personnel policy.

Motion: Virgil Beagles. "Have the General Manager to perform the update and revision of the TWSD personnel policy.

Second: Burt Rubinowitz. Unanimously approved.

Discussion: None.

11. Change the Day of the Work Session

Statement: Chairman Schug stated we are getting a lot of input at the last minute and don't have enough time to get properly prepared. Virgil Beagles said he preferred the current work session schedule.

Motion: Joe Mainello. "Change the date for the work session for the regular meeting.

Second: Burt Rubinowitz. Virgil Beagles voted nay, all others aye.

Discussion: Joe Mainello said he felt the work session should allow time for discussion of items that would be put on the agenda. He also felt the Saturday work session was too far

in advance and the Tuesday prior to the regular meeting worked better as in the past. There was a discussion of each board members preferences and how to get better public participation. Chairman Schug asked for comments from the audience. Dewayne Beagles said he thought a Tuesday work session would make off-mountain people second class citizens who couldn't be here. There was a discussion of the purpose of the work session and how agenda items are added and how they can be added. Dr. Moore explained how Otero County handled agenda items and their work session. Burt Rubinowitz pointed out the need for at least a 3 or 4-day minimum for some items for staff to do research.

Motion: Burt Rubinowitz. "Change work session to the Tuesday prior to the regular meeting at 6:00pm.

Second: Virgil Beagles. Virgil Beagles voted nay, all others aye.

Discussion: Dewayne Beagles asked if they would vote on agenda items at the work session. Dr. Moore stated that by statute an action item has to be posted on the agenda 72 hours prior to the session before it can be acted on, unless it is an emergency.

Motion: Burt Rubinowitz. "Amend the meetings resolution to reflect the new work session date and times".

Second: Joe Mainello. Virgil Beagles voted nay, all others aye.

Discussion: None.

Committees:

Swimming Pool Committee – See Manager's report.

Budget Committee Joe Mainello stated we are still working on the budget especially the attorney's fees. When we get the cash forward balances we will be able to finish up the 08/09 budget. The 09/10 budget is almost finalized and we are waiting for the figures from the 08/09 budget to continue. Dr. Moore said DFA has received regular updates on reconciliation of our books and has agreed to use Sharon North cut's figures when she finishes.

By-Laws Committee – Burt Rubinowitz said there was no report.

Water Rate Committee – Chairman Schug said the they are waiting on the budget committee for some figures they can input. He asked for volunteers to attend a meeting and provide some input. He explained that state law requires we meet expenses with water rate fees and any help from the public would be greatly appreciated.

Golf Course Committee – No report.

Website Committee – Burt Rubinowitz stated the website, timberonwater.com, is up and nine pages are up and he named each. He thanked Charlie Ross for the job he has been doing as webmaster.

Water Rules and Rights Committee – Burt Rubinowitz stated the committee has met twice and are about half way through and will have something to present at the next meeting.

Directors Remarks:

Virgil Beagles thanked everyone for coming.

Burt Rubinowitz said he was very happy to see all the work done on the reconciliation.

Joe Mainello said he thought Dr. Moore has been doing an outstanding job as general manager. He also complimented Burt for his work on the website and rules and rights committees.

Chairman Schug thanked the public for attending and all the board members for the work they have been doing on the committees.

Agenda Request:

Executive Session: None.

Unscheduled Citizens Communications:

Ron Wyatt said he thought the board needed to work harder to resolve the many legal problems going on.

Meeting Adjourned at 12:36pm.

Minutes submitted by Secretary Charlie Ross_____Date

Approved by Chairman Arden Schug_____Date