

REGULAR MEETING MINUTES

Board of Directors of Timberon Water and Sanitation District

Monday, July 18, 2022 6 p.m.

Timberon Community Center, "Lodge"

1 Bobwhite Circle, Timberon, NM 88350

Invocation and 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 Chairman Michael Gonzalez, Treasurer Terri Borzoni, Director Mark Harding, Sharon Vails present. Tod Barker and Vice Chairman Jules Neal were both absent from the meeting.

Approval of Agenda The Treasurer motioned to approve the agenda, Director Harding seconded the motion, the Chairman called for a vote, the Treasurer voted yes, Director Harding voted yes, the Chairman voted yes, the agenda was approved.

General Manager's Report The Acting General Manager reports several leaks in the last 2 weeks, Norwood fixed on the 5th and Pounds fixed today. 4 Meter installs done, outside workers doing great work accomplishing a lot of work. Grader went out twice trying to work on the roads. They are working on obtaining DOT grants for road repair.

ICIP GRANT deadlines were met, questionnaires completed, resolutions done, now a wait and see time period. Phased funding was asking for \$2.5 million, \$.5 million a year for 5 years geared towards water related projects.

Continued cleaning in the offices and file organization being completed of the mess of files left behind. Employee files being reviewed to be sure all are complete and compiled correctly.

The potholes on the paved roads are filled!! Phone calls placed as had been requested in the past by Otero Road department, permits obtained and the next day they showed up and potholes repaired!!! Finally, after how many years?? Yaa!! Kudos to the efforts of the board and acting GM to get some road repairs accomplished!

Inspection of Tank#3 has found corrosion of the rafters supporting the "lid" of the tank. The lid is losing contact and the rafters are in an advanced stage of corrosion. There are no records to show that any of the tanks have ever been inspected, this is something that should have been done every 5 years. There are steps being taken to ensure continued operation in the event this tank would have to be shut down for repairs. The tank inspector wants a major inspection done to see what steps will have to be taken.

Treasurer's Report

USDA Loan \$853.76 \$6,042.76 Reserve \$7,924.80 Operations \$27,247.45 Standby \$76,842.85 Reserve
Restricted \$77,962.56 Short Lived Assets \$166,490.51

Committee Reports

Finance Committee

Noreen Gonzalez presented the proposed budget that is being submitted for review. A rough idea of what we have to work with.

Budget totals submitted to the DFA for 2021/2022 Budget

Beginning cash: \$561,950.00

Budgeted Revenues: \$1,388,925.00

Budgeted Expenses: \$1,388,000.00

Actual income/expenses:

Revenues: \$1,332,345.00

Cost of goods sold-Salaries \$827,378.00

Expenses: \$719,877.00

Other expenses-loans: \$93,607.00

Net income: -\$308,517.00

DFA budgeted income: \$1,388,925.00

Actual income: -\$1,332,345.00

Difference in income: \$56,580.00 - less than budgeted amount

A comment from Noreen,

I would like to thank all the volunteers for helping the district. I would also like to thank the former board members for their service: Richard McMullen, Timothy Mahoney, Lillian Devine, Linda Martin and Kelly Clark. You were able to sever on this board without your life being threatened, without a background check or court case check being done on you individually. You were allowed to conduct district business without the prior board trying to prevent you from signing new bank signature cards or obstructing this board from securing Fidelity Bonds. I would like to ask that you give the current elected, appointed board members the same opportunities that you were given to conduct the affairs of the district. If you don't want to be part of the solutions, please stop being part of the problems. Just my observation for what it is worth.

Water Advisory — Arden Shug there will be a meeting July 21 at 1 p.m. in the conference room.

Terry Ratley, representative of Neighborhood Watch let us know there would be another Safety class being taught on August 20, 2022, Wilderness Wellness. The fee for this class is \$55 dollars payable one week in advance. It is an 8-hour class, you can contact her or Neighborhood Watch for more information.

New Business

1. Approve regular meeting minutes from July 4, 2022.

The Treasurer motions to approve the meeting minutes from July 4, 2022, Director Harding seconded the motion, the Chairman calls for a vote, the Treasurer voted yes,

Director Harding voted yes, the Chairman voted yes, the motion to approve the minutes passed.

2. Mr. Guy Larson has requested to speak concerning standby fees.

Mr. Larson wanted to know why, when he owned adjoining lots, he was paying standby fees on lots he never planned on putting a meter or water on. It was explained to him that he could go to the assessor's office and get the lots replatted into one lot to avoid paying the fees. Then the fees were explained to him, he understood and said he would pay up and would clear up the problem.

3. Discuss/Approve monthly expenditures for the district for June, 2022.

Director Harding motioned to approve the monthly expenditures for the district for June, 2022, the Treasurer seconded the motion, the Chairman calls for a vote, the Treasurer voted yes, Director Harding voted yes, the Chairman voted yes, the motion was passed.

4. Discuss/Approve parts inventory for FY2021/2022 budget year end.

In looking into records and previous audits, it appears that there has never been a parts inventory done even though previous audits have identified the lack thereof.

The Treasurer motions to approve parts inventory for FY2021/2022 budget year end, Director Harding seconded the motion, the Chairman calls for a vote, the Treasurer voted yes, Director Harding voted yes, the Chairman voted yes, the motion was passed.

5. Review Attorney Jeff Albright — "Recommendations and information regarding metered service, regular rate increases for small water utilities, and procedures/options for emergency water rate increase from Public Regulation Commission-PRC."

Jeff Albright, the water attorney for the district, called in and we were able to hear an explanation about how the board can ask for a rate increase. He also explained that we cannot ask for emergency rate increases for water rates. He did explain the process to go through to ask for rate increases and that we need to figure out how much of an increase we will need and be prepared for November to present our numbers to the PRC. He was there to also answer any questions the public had for him regarding the rate increases that we are facing.

Chairman Michael Gonzalez read the rules of OMA to close a portion of this meeting since it is a closed meeting.

Director Harding motioned to close the session to discuss Attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become a participant,

the motion is seconded by Treasurer Terri Borzoni, to close the session, Chairman Michael Gonzalez called for a roll call vote, Chairman Michael Gonzalez voted yes, Treasurer Terri Borzoni voted yes, Director Mark Harding voted yes, the session was closed at 7:40 PM

Adjourn into Executive Closed Session in compliance with 10-15-1 (H)(7) and (8) NMSA.:

Attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become a participant.

Closed Sessions — Procedures (510-15-1 (I)) To properly close a portion of an open meeting, the following actions must be taken (5 10-15-1 (I) (1)): A motion stating the specific provision of law authorizing the closed meeting and a reasonably specific description of the subject to be discussed.

A roll call vote on the motion to close the meeting in the open session. The vote of each member is recorded in the minutes Only the matters stated in the motion to close are discussed in the closed session.

Generally, action on an item discussed in a closed session must be taken in an open meeting (5 10-15-1 (H)) After a closed meeting is completed, a statement affirming that the matters discussed in the closed meeting were limited to those stated in the motion to close is recorded in the minutes (5 10-15-1 (J)). For closed meetings of a public body held separate from an open meeting, the above criteria apply except: Instead of a motion to close, appropriate public notice is provided that includes the specific provision of law authorizing the closed meeting and a reasonably specific description of the subject to be discussed (5 10-15-1 (1)(2)).

1. Following completion of the closed meeting, a statement is entered into the minutes of the next open meeting specifying that the matters discussed in the closed meeting were limited to those stated in the notice of the closed meeting (5 10-15-1 (J)).

Return from Executive closed session in compliance with the Open Meetings Act, "NMSA 1978 Sections 1015-1 to 10-15-4.

Only the subject announced or voted upon prior to closure by the policymaking body were discussed in a closed meeting. No decisions were made during the closed session.

A roll call vote of each member to come out of closed session back into an open meeting.

Director Harding motioned to come back into open session, Treasurer Terri Borzoni seconded the motion, Chairman Michael Gonzalez called for a roll call vote, Chairman Michael Gonzalez voted yes, Treasurer Terri Borzoni voted yes, Director Mark Harding voted yes, the motion is passed. Chairman Michael Gonzalez stated that only the subject matter announced was discussed in the closed session. No decisions or vote was taken.

Open meeting resumed at 8:20 p.m.

The Treasurer motioned to adjourn the meeting, seconded by Director Harding, the Chairman called for a vote, the Treasurer voted yes, Director Harding voted yes, the Chairman voted yes, the motion passed, meeting adjourned at 8:23 p.m.

Directors Remarks

Thank you to all who support us in our endeavors to make Timberon water work for all.

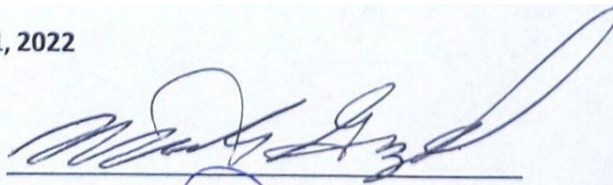
Approval of meeting

August 1, 2022

minutes August 1, 2022

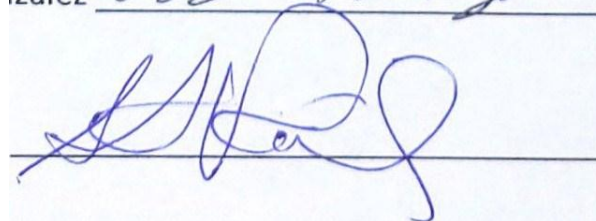
Chairman Michael

Gonzalez

A handwritten signature in blue ink, appearing to read "Michael Gonzalez", written over a horizontal line.

Gonzalez

Secretary Sharon
Vails

A handwritten signature in blue ink, appearing to read "Sharon Vails", written over a horizontal line.