

**MINUTES OF
TWSD BOARD OF DIRECTORS
SPECIAL SESSION
SEPTEMBER 10th, 2010 AT 10:00AM**

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

Approval of Agenda

Motion: Joe Mainello. "Approve the agenda".

Second: Arden Schug.

Discussion: None.

Vote: Unanimously approved.

Minutes of 8-21-10.

Motion: Arden Schug. "Approve the minutes as submitted and dispense with the reading".

Second: Joe Mainello.

Discussion: None.

Vote: Unanimously approved.

Agenda

Old Business:

1. Consider Revised MOU from Southeast New Mexico Economic Development District.
Motion: Arden Schug. "Go ahead with the revised MOU with the Southeast New Mexico Economic Development District".
Second: Joe Mainello.
Discussion: Arden Schug said we really need their assistance to get money to improve the water system.
Vote: Unanimously approved.
2. Fix \$73,000 in General Budget due to Error in Meter Reading.
Motion: Arden Schug. "Delete this \$73,000 error in the books and zero it out".
Second: Joe Mainello.
Discussion: At Joe Mainello's request Dr. Moore explained this is a procedure to account for water usage by non-water side of the house and he recommended the district check with DFA for their advice before voting on this. Arden Schug said this is an obvious error and represents millions of gallons of water. Joe Mainello said this is a serious amount of money and agreed with Dr. Moore about getting direction by DFA.
Motion: Chairman Rubinowitz without objection: " Lay this item on the table". There were none.
Vote: None.
3. Septic Tank, Sewer Lines and Porta-Potties for DTI.
Motion: Arden Schug. "TWSD pay for the septic tank, sewer line repair and two of the four porta-potties".
Second: Joe Mainello.
Discussion: Dr. Moore recommended adding to the motion, subject to the approval of the receiver.
Amended Motion: Chairman Rubinowitz without objection. Add "subject to the approval of the receiver". Arden Schug objected and pointed out this all occurred prior to the appointment of the receiver. The amendment was not adopted.
Discussion: Yvonne Ross of DTI said she felt the porta-potties were also available for use by the golf course patrons and would they reconsider and pay for all the porta-potties. Arden Schug said the building was rated for 40 people and DTI had applied for up to 150 people and they should be responsible for the other porta-potties. Joe Mainello asked the costs for TWSD and DTI and Dr. Moore said he did not have that immediately available but would get with Ms. Ross and make it available to the board. Joe Mainello also was concerned that the board be certain about responsibility and Dr. Moore said that under the contract with DTI he had determined TWSD was responsible for the septic tank and sewer lines. Yvonne Ross said the porta-potties cost \$500.
Vote: Arden Schug voted aye, Joe Mainello abstained and Chairman Rubinowitz did not vote. The motion passed.
4. Report on Letter to State Agencies. - No motion received.

5. Cloutier Beagles vs. Gentry Bills and Status. - No motion received.
6. Attorney Bills Coll and Worley Status. - No motion received.
7. DTI Bills Up to Date and Lease Agreement. - No motion received.
8. Bank Statements for All Accounts. - No motion received.
9. Accounts Payable. - No motion received.
10. All Checks Paid to Dr. Moore in the Last 12 Months. - No motion received.
11. Letter to Accounting Associates. - No motion received.
12. Letter(s) to Manuel Lujan Agency on Attorney Bills. - No motion received.
13. Status of Sub-Grant FEMA Work Extension. - No motion received.
14. Status of Aggregate and Gravel Permits from BLM. - No motion received.
15. Status on Letter to State Agencies Concerning TWSD Financial Conditions. - No motion received.
16. Report on Monies Due to Capital Outlay and Grant Projects. - No motion received.

New Business:

17. Receiver Remuneration Sources. - No motion received.
18. Checks for Expenses and per Diem Paid to Any and All Board Members. - No motion received.
19. Virgil Beagles Report on Meeting with State Engineers and Environment Department.
Intro: Arden Schug said after talking with the engineers the problem was determined and some action was set in motion.
Motion: Arden Schug. "Do not require Mr. Beagles to make a report".
Second: Joe Mainello.
Discussion: None.
Vote: Unanimously approved.
20. Approve 2010/2011 Budget
Intro: Dick Dysart made a statement from the budget committee stating significant assumptions about revenues which are based on last years. He then highlighted major revenues and expenditures in the the proposed budget and answered a few questions about specific items.
Motion: Arden Schug. "Approve the 2010/2011 budget as written and submit copies to DFA and the receiver as a first cut".
Second: Joe Mainello.
Discussion: Chairman Rubinowitz stated DFA has been flexible in the past with time tables for submission.
Vote: Unanimously approved.
21. Timberon and New Mexico Public Regulation Commission Jurisdiction--Discussion of the Receiver's Findings.
Motion: Arden Schug. "Discuss the New Mexico Public Regulation Commission Jurisdiction of Timberon".
Second: Joe Mainello.
Discussion: None.
Vote: Unanimously approved.
Arden Schug said the PRC hearing examiner said there had never been a resolution for Timberon to be under their jurisdiction and the law clearly states if you don't declare to be under then you are not. He feels Mr. Karnes is mistaken in trying to put us under the PRC. Joe Mainello agreed and said we have a resolution declaring us to not be under their jurisdiction.
Chairman Rubinowitz turned over the Chair to Vice Chairman Mainello for the next two items.
22. Adoption of a Resolution Regarding Timberon and NMPRC Jurisdiction.
Motion: Burt Rubinowitz. "Adopt Resolution 10/11-002 and present it to the district court and the NMPRC".
Second: Arden Schug.
Discussion: The resolution was read by Secretary Ross. It may be viewed at the timberonwater.com website or a copy requested from the TWSD office. Burt Rubinowitz discussed each provision of the resolution explaining his rationale for including that provision. Arden Schug said we passed a resolution, even though we didn't have to, was to provide future boards with documentation that we indeed were not under the jurisdiction of the PRC.
Vote: Unanimously approved.
23. TWSD Financial Stabilization Plan.
Motion: Burt Rubinowitz. "Adopt Resolution 10/11-001 and present it to the district court".
Second: Arden Schug.
Discussion: The resolution was read by Secretary Ross. It may be viewed at the timberonwater.com website or a copy requested from the TWSD office. Burt Rubinowitz discussed each provision of the

resolution explaining his rationale for including that provision. Arden Schug said we should have appealed the case where DeWayne Beagles received the award with 8% interest.

Vote: Unanimously approved.

Vice Chairman Mainello turned the Chair back over to Chairman Rubinowitz.

Committees:

Swimming Pool Committee – None.

Budget Committee – None.

By-Laws Committee – None.

Water Rate Committee – None.

Golf Course Committee – None.

Website Committee – None.

Water Rules and Rights Committee – None.

Directors Remarks:

Arden Schug said many wanted to meet the receiver here today and he had been directed by the court to attend these meetings so I feel he is not doing what the court told him to. The receiver had told people at the last meeting he would answer their questions and I don't believe he is holding up to his promises. He thanked the people attending for their interest.

Joe Mainello said he thanked the attendees and he wished more people would attend. He thanked the budget committee for all their work.

Agenda Request: None.

Executive Session: None.

Unscheduled Citizens Communications:

BF Adams said "Thank you and I think you all are doing an excellent job".

Motion: Chairman Rubinowitz without objection. "Adjourn the meeting". There was none.

Vote:

Minutes submitted by Secretary Charlie Ross _____
Date

Approved by Chairman Burt Rubinowitz _____
Date

Posted: 9-20-10 1:00pm