

**MINUTES OF THE MAY 14, 2019 WORK SESSION MEETING  
OF THE TWSD BOARD OF DIRECTORS**

Attending the meeting were Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Tash Robb. Director Joe Mainello was present via the phone. There being a quorum present, the meeting was called to order by Chairman Richard McMullen at approximately 6:00 PM.

Saluting of the flags was accomplished.

**Approval of Agenda:** Treasurer Michael Gonzalez moved to approve the agenda as written. Vice Chairman Clark Clement seconded. There being no discussion, the vote was called. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye. The motion passed.

**OLD BUSINESS**

**General Manager's Report** General Manager Ronald Wyatt was not present.

**Treasurer's Report.** Reconciled bank balances as of April 30, 2019: Checking Account \$34,959.87; Water Standby Savings Account \$107,319.24; Water Restricted Reserve Account \$34,959.87; Facilities and Services Savings Account \$113,141.33; USDA Debt Service Savings Account \$5,139.60; USDA Short Term Assed Repl Savings Account \$89,343.11; USDA Construction Loan Account \$849.71.

Treasurer Michael Gonzalez reported that UB Max is up and running. Credit and debit card, as well as E-check are being accepted. There is still an interface that needs to be done between QuickBooks and the billing. The 2% increase will be on the May billing cycle. If there are any issues or if anyone wants to send a message to the office, you can use the "Contact Us" button and submit the request. Yesterday a petty cash reconciliation was done and we will continue to perform this monthly. The interim budgets will be approved today. Currently, we are trying to do a top-down change in reassessing all the budget line items for the final budget, which will go through QuickBooks. Over-time continues to be a headwind in the District, which we are trying to get in control; we had \$13,000.00 budgeted for the year and we are currently at \$41,171.00, which is a considerable amount over. The repair and maintenance of vehicles is also out of line with the budget. If we maintain a 20 mph speed limit on our roads, it will greatly reduce the wear and tear and costs on the vehicles being used by the District.

**Committee Reports.**

**Budget Committee:** The Budget Committee met on the 8<sup>th</sup>. Granite Mountain did a presentation for the meeting. This company specializes in community water systems. The next budget meeting will be June 6<sup>th</sup> at 1:00 P.M. at the Lodge.

**Inspection Committee:** Still waiting on the concrete individuals to assess the sidewalks.

## **NEW BUSINESS**

**Approve April 20, 2019 Regular Session Meeting Minutes.** Treasurer Michael Gonzalez moved to approve the minutes as written and dispense with the reading. Director Tash Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

**Discuss/Approve authorizing the "Treasurer" to seek possible cost saving measures in regard to District property insurance premium rates and report back to the BOD's the findings.** Treasurer Michael Gonzalez stated they sustained an insurance increase well beyond what we have been currently paying. He contacted the broker and asked what the reason was for the increase, she stated we were underinsured. They recommended having our properties appraised. It was approved within the office to accept the insurance's appraisals, therefore we received the increase. The insurance company is willing to do an adjustment if we have our own appraisals done on the properties. Treasurer Gonzalez is requesting to be able to look into getting the properties appraised. Director Tash Robb made a motion for Treasurer Michael Gonzalez to look into possible cost saving measures for the District's property insurance. Vice Chairman Clark Clement seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss/Approve the interim DFA Fiscal 2020 annual budget.** Director Tash Robb made a motion to accept the interim DFA Fiscal 2020 Annual Budget. Vice Chairman Clark Clement seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss/Approve the interim USDA Fiscal 2020 annual budget.** Vice Chairman Clark Clement made a motion to accept the interim USDA Fiscal 2020 Annual Budget. Director Tash Robb seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss/Approve/Implement the "Work Request Form" for use in the repair and maintenance of the "Water Distribution System".** Chairman Richard McMullen stated they would like to make it mandatory to start using the "Work Request Form"; that way the Treasurer can start tracking the man-hours, overtime hours, leaks and separate the water from the rest of the items. They are also putting latitude and longitude on each form. We have an 87% water loss rate; we are trying to track our leaks by location to see what it is costing us and what materials are being used. Treasurer Michael Gonzalez asked the water technicians if they had any comments or suggestions. Joe Bob Shields stated it is basically the same and agree they are fine. Director Tash Robb made a motion to implement the "Work Request Form" for use in the repair and maintenance of the "Water Distribution System". Treasurer Michael Gonzalez seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss/Approve Granite Mountain Accounting, LLC engagement letter.** Treasurer Michael Gonzalez stated that Granite Mountain Accounting, LLC put on a presentation at the last budget meeting. They

presented a letter of their fees and services. There will be a trial bases for the first 90 days. There was some discussion with Ruby, with Granite Mountain Accounting, LLC. Director Tash Robb made a motion to approve a 90 day trial for Granite Mountain Accounting, LLC. Treasurer Michael Gonzalez seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss transfer of funds procedures.** Chairman Richard McMullen stated that individual sheets are accumulating quickly within the office. This is in regard to transferring funds between checking accounts. The office's recommendation is to do away with the individual sheets and do a combination on a weekly or bi-weekly bases. Treasurer Michael Gonzalez suggested that the bills the office staff wants to pay, that they itemize them and split them from the General Fund and the Water Fund side, total them, than accompany the invoice or itemized list of what the bills are, place them with 2 transfers sheets; have a transfer fund sheet for each account. This past time, the GM and the Treasurer initialed the sheets that showed the bills, and signed together on the transfer sheet; so there was only 2 forms. Chairman McMullen recommended that there be a change to the signature line, if the Treasurer is not available a designated Board member can be an alternate to sign the form. This was moved to the Saturday agenda.

**Discuss/Approve trash fees.** Chairman Richard McMullen stated that we are not funded by federal or state funds. At our current rate we are losing \$6,000.00 a year on trash fees. The legal aspect still needs to be obtained. He proposed a rate increase to \$12.00. Treasurer Michael Gonzalez went over background information on past collection costs. The average monthly expense is approximately \$3,159.00 per trip. The current rate is \$6.00. He proposed the rate increase to \$8.00. Vice Chairman Clark Clement asked if this increase would be available for repairs that need to be done? He asked the Treasurer if the increase of \$2.00 would be sufficient to cover these costs. Treasurer Gonzalez stated yes. Director Joe Mainello stated that after being on the Board during several increases, he highly recommends keeping the increase low. Audience member, Joe Bob Shields asked if there is something that can be done with contractors dumping restricted items? Audience member, Tony McWilliams stated that the contractors are now dumping the restricted items at the appliance dump area. Audience member, Ardin Schug suggested this needs to be put in front of the County Commissioners. Chairman McMullen asked the audience what they felt about how much the increase should be. The general consensus of the audience was an increase of \$3.00. Treasurer Gonzalez stated he still felt the \$2.00 increase is sufficient.

Treasurer Michael Gonzalez made a motion to approve the increase in trash fees from \$6.00 to \$8.00 per customer starting in July. Vice Chairman Clark Clement seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, the motion passed.

**Discuss/Approve dedicated line from golf course well to tank 2.** Vice Chairman Clark Clement stated this gives more diversification on where our water comes from. This line will be laid on top of the ground. The work will be done by volunteers. The only cost to the District will be the pump. The pressure will be 200 psi. This will be moved to the Saturday agenda.

**Discuss store lease.** Need clarification on who pays for utilities. Move to Saturday agenda.

**Discuss/Approve and sign contract with DTI.** Chairman Richard McMullen stated that the contract is not ready, some changes need to be made before it is presented to DTI. Move to the Saturday agenda.

**Set Agenda for Saturday May 18, 2019 Regular Session Meeting.**

- **Discuss trash fee increases.**
- **Discuss/Approve transfer of funds procedure.**
- **Discuss/Approve percentage of back standby fees put in Restricted Reserve funds.**
- **Discuss/Approve dedicated line from golf course well to tank 2.**
- **Discuss/Approve store lease.**
- **Approve and sign contract with DTI.**
- **Discuss/Approve committee for slash pit relocation.**

### **Directors Remarks**

Treasurer Michael Gonzalez: the District is blessed with a lot of water; the challenge is the distribution system. We need to start working on putting an action plan together and start working toward it. Many communities in New Mexico do not have the water sources we have. We need to re-double our efforts in the upcoming fiscal year when it gets close to the ICIP to make sure we structure our list to where the distribution system is near the top on the priority list. The District is blessed with several revenue streams. The financial portion is in much better shape than it was back in 2008. There is lots of evidence we are going in the right direction. We need to always be looking for ways to improve our financial situation. Thank everyone for attending. Look forward to being back Saturday.

Vice Chairman Clark Clement: I'm glad everybody showed up. We talked about some important things. One of the most important things here is getting control of the money that is coming in; and make sure we can hit some budgets. If the money comes in and just goes to the General Fund, then we really don't have a budget. We need to start collecting some of the big money and start figuring out how we can foreclose on some of these properties and auction them off. We need more money coming into the District.

Chairman Richard McMullen: Thanks everyone that showed up. We have an election coming up in November, those that are interested go to the County Clerk and get your name on the ballot.

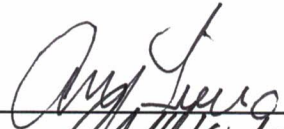
Director Joe Mainello: I want to thank and commend the Board for your hard work. If anyone is watching tv tonight at 10 pm on channel 13, Larry Barker is going to be presenting a piece on a murder in Santa Fe that happened in 2005; it was my cousin that was killed. Hope to be here Saturday.

Director Tash Robb: nothing to say.

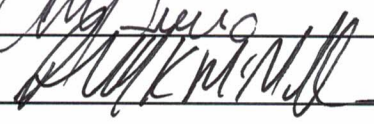
Treasurer Michael Gonzalez moved to adjourn the meeting and Director Tash Robb seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, and the meeting was adjourned.

Minutes Approved May 18, 2019:

Secretary Amy Fierro

  
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Chairman Richard McMullen

  
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