

**MINUTES OF THE MAY 18, 2019 REGULAR 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 10:00 AM.

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

Approve and sign contract with DTI. Vice Chairman Clark Clement made a motion to approve the contract between DTI and TWSD. Director Tash Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye. The motion passed.

General Manager's Report General Manager Ronald Wyatt gave his report.

Work continues on the golf course, it is looking great.

Work is continuing on the pool, should be open on schedule.

Maintenance is ongoing at the maintenance shop utilizing a grant.

Road grading will start on Monday.

We are still waiting on 2 sets of bids, one to replace all 8 heating units at the Lodge and one to replace the concrete sidewalks at the Lodge.

The Springs project is ongoing; it should be ready within the next 3-4 weeks. The amount of flow has dropped off.

On May 22, the engineer, Bohannon Huston Inc., will be here to discuss the status of the PER Master Plan as well as discuss a backup well.

We received 2 grants this cycle; one for \$333,000.00 to replace the water pipe the other for a one million gallon water tank.

Questions for the GM

Vice Chairman Clark Clement asked what the current flow rate was from the Springs? The GM replied 45-50 psi.

Treasurer Michael Gonzalez asked if the cleanup done by the water operators helped with the flow at the Springs? The GM replied, a small amount, but nothing significant. Treasurer Gonzalez asked if Statewide Drilling looked at the Pawhuska well? GM replied, not yet. Treasurer Gonzalez asked if the signature cards have been returned to the Bank? The GM replied, yes and no, they were returned, but are still wrong. Treasurer Gonzalez asked if the TWSD webpage can reflect the 2% increase in billing. GM replied, yes, we will get it done. Treasurer Gonzalez asked what the status of the Sacramento Road repair is? GM replied, we will have to do it ourselves and use cold patch.

Director Joe Mainello asked if the main well is in operation? Chairman Richard McMullen stated, yes.

Audience member, Jon Weaver asked if the million gallon tank will be a reserve? The GM replied, we will be using it for the Springs.

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 stated that a Budget Adjustment Resolution and appropriate worksheet will be presented to the BOD's at the next scheduled meeting. See Attached.

Vice Chairman Clark Clement asked how are we going to cover the amount exceeded over the budget? Treasurer Gonzalez stated that past due Standby fees, current Standby fees and F&S fees will cover the amount exceeded.

Committee Reports.

Budget Committee: The next budget meeting will be June 6th at 1:00 P.M. at the Lodge. We will be discussing and recommending suggestions for the next year's budget.

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

Discuss/Approve transfer of funds procedures. 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. Treasurer Gonzalez will take the current procedure, edit the verbiage in the document and present it at the next meeting.

Discuss/Approve percentage of back standby fees put in Restricted Reserve funds. Chairman Richard McMullen took a consensus from the Board on the percentage of back standby fees that should be put in Restricted Reserve funds. Treasurer Michael Gonzalez presented a worksheet to the Board, see attached. Director Tash Robb made a motion to set the percentage of back Standby fees at 30%, to be put back into the Restricted Reserve funds. Treasurer Michael Gonzalez 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 dedicated line from golf course well to tank 2. The GM 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 pressure will be 200 psi. This is 3,000 feet of pipe with a cost of \$6,630.00. The pump will cost \$949.95 for a total of \$7,579.95. Director Tash Robb made a motion to purchase the pipe, pump and needed supplies in the amount of \$8,000.00, for the dedicated line from the golf course well to tank 2. Treasurer Michael Gonzalez seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Discuss store lease. The GM stated, the leasee's main concern is the propane cost. The option of increasing the lease amount to cover the propane cost was presented. They asked if they could install a pellet stove. More information is needed for the Board to approve a pellet stove. Director Tash Robb made a motion to table the discussion until the June Work Session Meeting for the GM to obtain more information. Vice Chairman Clark Clement seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

NEW BUSINESS

Approve May 14, 2019 Work Session Meeting Minutes. Director Tash Robb moved to approve the minutes as written and dispense with the reading. Vice Chairman Clark Clement seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Discuss trash fee increases. 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. 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. An increase to \$8.00 was approved at the Work Session Meeting, this will go into effect in July.

Discuss/Approve committee for slash pit relocation. Director Tash Robb made a motion to establish a committee to explore the relocation of the slash pit. Vice Chairman Clark Clement seconded. Director

Robb volunteered to be the Board Member over the committee. Tony McWilliams volunteered to be over the Fire Department. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Directors Remarks

Treasurer Michael Gonzalez: Thanks for coming and taking the time out of your day to be here. This is how our form of government is supposed to work, the citizens are supposed to be civically minded, and come in and have your voices heard, explain what you would like to see happen. Apparently, in this Country many people are becoming apathetic to being involved in this process. I believe our Country is suffering because our citizens are not standing and holding the elected official's feet to the fire. In our smallest little local government I appreciate everyone for coming out and sharing your views.

Vice Chairman Clark Clement: Thanks to everyone that showed up. We made some good headway on getting things done this meeting. We got the dedicated line and DTI contract approved. I think Tash and I need to get with the office and see about taking collections to small claims court.

Chairman Richard McMullen: I appreciate everyone coming and all the comments we received.

Director Joe Mainello: it sounds like we have a good crowd. Thanks to everyone for coming, the Board is doing a great job. Keep up the good work.

Director Tash Robb: Thanks for joining us and giving input. I want to ask people to start thinking about areas of Timberon that are not being utilized and see what we can do to turn these areas around.

Audience member, Terry Weaver, stated this is one of the most productive meetings I have been too.

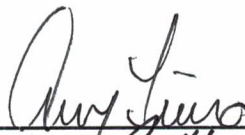
Audience member, Donna Gray, stated it was great seeing what the community is doing with the trash barrels. There was an incident with a TWSD truck that happened at the trash dump. I seen the incident and was called a liar. Another audience member told her that was not what was said she was not called a liar. She stated she was misinformed than.

Audience member, Brenda Hardy stated: thank you for getting the road done, we appreciate it.

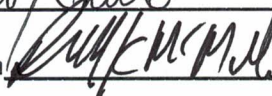
Director Tash Robb moved to adjourn the meeting and Treasurer Michael Gonzalez seconded. Chairman Rick McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye, and the meeting was adjourned.

Minutes Approved June 11, 2019:

Secretary Amy Fierro



Chairman Richard McMullen



Treasurers' Report

Reading of Balances

A Budget Adjustment Resolution and appropriate worksheet will be presented to the BOD's at the next scheduled meeting; as Labor and Operational Expenditures have exceeded the approved DFA 2019 fiscal year budget.

- Budgets are not guidelines they are expected to be kept and in the rare instances the BAR request is an appropriate course to mitigate an exceedance
- The district has produced BAR request for the past 3 fiscal years; this indicates lack of spending control and could affect the districts fiscal standing as it relates to grant approvals.

Budget Line Item exceedances for the fiscal 2019 YTD as of May 16th are as follows: Please keep in mind the budget covers the fiscal year and ends On June 30th. Exceedance list captures \$1500 or greater.

1. Full and Part time Wages \$258,703 budgeted vs \$223,454 an exceedance of \$ 35,249. Possibly attributable to increased seasonal headcount and also the wage opener union agreement of July 2019
2. Wages-Overtime Budgeted \$11,100 vs \$41,171 or an exceedance of \$30,071
3. R&M-Vehicles budgeted \$7,200 vs \$15,640 or an exceedance of \$8,440
4. Risk Management budgeted \$39,339 vs 56,312 or \$16,973
5. R&M Water Distribution System \$20,250 budgeted vs \$97,125.19 or \$ 76,875 exceedance. Increased due to Dec and March well related repairs and increased year over year water leak repairs associated with a fully depreciated water distribution system which in my opinion is beginning to enter and accelerated rate of failure.
6. Fuel and Oil expenses budgeted \$ 17,815 vs \$ 19,390 or an exceedance of \$ 1,575
7. Insurance- Liability and Property \$42,937 budgeted vs \$ 67,774 or an exceedance of \$24,837.
8. Rent of Equipment and Machinery budgeted \$307.00 vs \$5,879 exceedance
9. Utilities Electrical \$37,266 budgeted vs \$ 49,165 or \$11,899 exceedance
10. Utilities -Propane \$12,906 budgeted vs \$ 19,310 or \$6,404 exceedance

Overbudget exceedances YTD are **\$218,202** if we subtract the well and increased leak repairs the total is **\$141,337**

Proposed: four saving plan to Water Restricted Reserve
 (W/SB Standby Fee Fee Collection)

Amount Collected	Collected Monthly Avg
34236 · Water SB (Prior Yrs (Reserve) 2015	\$41,785.00
34236 · Water SB (Prior Yrs (Reserve) 2016	\$52,722.00
34236 · Water SB (Prior Yrs (Reserve) 2017	\$60,675.00
34236 · Water SB (Prior Yrs (Reserve) 2018	\$57,131.00
34236 · Water SB (Prior Yrs (Reserve) 2019*	\$95,977.00
Total collected past 5 years	\$308,290.00
Yearly average collected past 4 years	\$53,078.25

*2019 data is excluded from dataset

Average Monthly Water SB Reserve over the past 4 years

Proposed 20% of Monthly Collected to be Deposited to Restricted Reserve
 Proposed 25%
 Proposed 30%

\$4,423.19
\$555.00
\$1,106.00
\$1,322.00

Average Budgeted Monthly Net Profit

(sourced from Interim Budget 2020)

Water Enterprise REVENUE

Metered Water	\$300,000.00	\$25,000.00
Water Standby Fee (SB)	\$195,287.00	\$16,273.92
Other SB (past due, interest, etc.)	\$53,722.00	\$4,476.83
Other Water Fund (meter install, etc.)	\$7,600.00	\$633.33
Budgeted Revenue Total	\$556,609.00	\$46,384.08

Water Enterprise Expenditures

Labor Expense	\$248,490.00	\$20,707.50
Operations & Maintenance Water Fund Activities	\$202,107.00	\$16,842.25
Budgeted Expenditure Total	\$450,597.00	\$37,549.75

Water Enterprise Budgeted Monthly Net Profit

		Net Profit Monthly
Proposed 20% of Monthly Savings Promise Impact to Monthly Net Profit		\$7,949.33
Proposed 25%		\$7,728.33
Proposed 30%		\$6,401.33