

**MINUTES OF
TWSD BOARD OF DIRECTORS
SATURDAY REGULAR MEETING
MAY 16, 2009 - 10:00AM**

In attendance were Chairman Arden Schug, Vice Chairman Burt Rubinowitz, Virgil Beagles, and General Manager Dr. Martin Moore.

**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: Burt Rubinowitz "Accept the Agenda"

Seconded: Virgil Beagle. Passed with unanimous approval.

Discussion: None

Minutes of 18 Apr 2009 and 14 May 2009

Corrections were made and the minutes were passed with unanimous consent.

Treasurer's Report – Dr Moore gave the report with the figures on the back of the agenda. We continue to be in the red for now with the legal expenses being one of our most significant outlays. He explained each bank accounts balance and its purpose.

Manager's Report – Dr. Moore gave a written report to all board members and is included with these minutes. He thanked all members of the district who had helped during the fire of May 6th. He gave details of many of the people involved within and from outside the community. He discussed Pete Bowidowicz and golf course staff efforts to get the course back into shape and the greens were starting to show evidence of coming back. The lakes are looking good and there fish in them and we hope folks will get out there fishing poles and catch some of them. He thanked TDC for there efforts in cleaning up the lower lake. He said the manger's finding report had determined DTI owed \$578.00 for propane to the district. Virgil Beagles said the previous contract obligated DTI to put in a propane tank and pay other expenses and he felt they hadn't done this. Chairman Schug pointed out this was the manager's report and not an agenda item so should not be discussed. Dr. Moore offered to submit a more detailed report of these items to the board. Chairman Schug pointed out this matter was still under litigation and could not be discussed. Virgil Beagles requested this item be put on the agenda for next month's meeting. Chairman Schug said attorney client privilege could be compromised and putting this on the agenda would have to be further examined later. Virgil Beagles asked about the status of drug testing. Dr. Moore said drug screening of all employees would be conducted next week.

Old Business:

1. Update of Lodge Foyer Beautification Project and Request to Allow David Curley to Build and Install Shelving for the Library by Timberon Development Council

Statement: Gwen Adams said the lodge is often the first impression of Timberon people get when they come here. She gave a short explanation of what had been done already and what they were going to try and do. She explained the book review center would receive custom made rustic shelving for free if the board would approve it. She also said any ideas or items people would like to donate would be appreciated.

Motion: Burt Rubinowitz "Accept the TDC plans for the lodge beautification project and allow the shelving to be installed.

Second: Virgil Beagles. All board members approved.

Discussion: None.

2. Update of Mediation Efforts in El Paso

Statement: Virgil Beagles stated Judge Valentine had ordered both parties to go to El Paso and make extraordinary efforts to find a settlement agreement. TWSD's attorney insisted there was still a counter-lawsuit against the Beagles. He read from the minutes of May 15th, (year not stated), which stated that during a recess of the hearing on Apr 26th that the board had agreed to drop all counter claims. He claimed they stated many times during the mediation efforts there was no counter suit and that this will cost TWSD 5, 6 or 7 thousand dollars due to this. Now there is a motion being filed for sanctions against the board. Dr Moore, who attended the mediation meeting said the attorney told them two counter

claims were pending and he did not want him or Joe Mainello commenting on this. Chairman Schug reiterated Dr. Moore's statement about the attorney's advice and that this would all be handled in court.

Motion: None

Second: None

Discussion: None

3. Update on Springs and Treatment Plant Filtration System

Statement: Dr Moore said he was pleased to report they were proceeding out to bid on additions to the filtration system which would bring us into compliance. He voiced his disappointment with the state of New Mexico because three agencies; the Drinking Water Bureau, State Engineer and the Construction Bureau; all wanted to put their stamp of approval on this. He thanked the city of Alamogordo for their assistance because they had a very similar situation and offered copies of plans which were very beneficial to the engineering firm for preliminary designs. He showed some diagrams from those plans and gave details how this system will work here in Timberson. Currently flow is up to about 300 gallons a minute up from about 70 or 80, and eventually we hope to have the capability for 1000 gallons per minute. Overall we are still only capturing right now about 10% of what we are authorized and increasing this will be very helpful to the golf course, the ponds and a number of different things. The forest service has plans to do some work in the area which should help increase to the flow available. Thinning of the forest above the springs seems to also have contributed to an increase in flow at the springs. After this work is done we will have three stage filtration instead of two stages. Additional piping will be added to get the water for to the filtration plant. Membrane filtration will be the final stage of filtering for the spring water as it is sensitive to particulates. It has a 100,000 gallon a day capacity and then the water will be redirected into the tank system from which we all drink. Virgil Beagles pointed out this project should have been ready sooner. Dr. Moore explained that the approving authority in Santa Fe had been in the hospital and we had been delayed in having everything ready to go. Virgil Beagles expressed concern about getting additional monies to complete the spring's project. Chairman Schug said they had presented 4 or 5 projects to the state for stimulus money. Dr. Moore said he had been called on short notice to go to Alamogordo and brief the Governor. Chairman Schug explained the process required for obtaining stimulus money especially how to be considered shovel-ready, a Federal EPA study had to be conducted which is not normally required in New Mexico. A discussion of the availability and process for receiving funding for the springs project was had. An additional discussion of how to get process for funding accelerated through a meeting with the governor or his representative was had. Chairman Schug and Dr. Moore emphasized the need to keep the Drinking Water Bureau informed so as to retain our good working relationship.

Motion: None

Second: None

Discussion: None

4. Update of Audit

Statement: Dr. Moore said the auditors have been here laying the ground work for the audit. He believes they could have the 06/07 and 07/08 audits done by the end of June. Chairman Schug asked if we would get an interim report. Dr. Moore thought they should have an interim report of some kind ready for next month's meeting. He also explained some of the things they are looking for and classes of deficiencies. A discussion of the procedures involved and the order in which they are done was had. Chairman Schug requested a critical task list be provided and Dr. Moore said he would get it and make it available to the board and the public.

Motion: None

Second: None

Discussion: None

5. Review Request by Union for Documents and Provide them if Necessary and have them Available for the Board

Statement: Dr. Moore stated he had called Robin Gould of CWA (Communications Workers of America) and asked about the validity of some of the information being requested. She claimed she did not know. Virgil Beagles asked if the information requested by the Mar 16th letter had been provided and Dr. Moore said "I believe so". He further explained he had verbally provided information to her and mutually that some of the information was not needed by either party. Dr. Moore admitted he could do a better job communicating with CWA and would submit in writing all the information requested by the Mar 16th letter.

Motion: None

Second: None

Discussion: None

6. Update the Golf Course Efforts

Statement: Dr. Moore said he had been with Pete Bowidowicz and all the greens had been spiked but there was significant concern about the greens due to the especially dry winter and fungus. They appear to be coming back OK. The fairways are going to be mowed for the Memorial Day tournament. The greens are being watered everyday and they have spread 25lbs of bent grass seed and we will get more for the greens. During inventory we found what we think is a sufficient amount of fertilizer so we didn't have to purchase any. Mr. Beagles was gracious enough to donate 28 sprinkler heads which are greatly appreciated and some others have promised some more. The golf course is coming along. The increased flow at the springs enables us to run 7 or 8 sprinklers at once instead of 2 or 3. Five carts are working and a couple more are being repaired but Mr. Bowidowicz recommends we rent an additional 5 carts. Membership fees have not changed although Mr. Bowidowicz is examining the fee structures. So far we are under budget on equipment and right on

budget with staff. Bill Curtis observed carts are driving down the fairways and right up to the green. Dr. Moore said Mr. Bowidowicz is going to rope off the greens to keep carts away. The area around the east side of the fishing lake would be leveled for parking also and a gate or barrier erected to keep people from driving between the lake and driving range. Barbara Bowidowicz invited everyone to visit the pro shop and see the new hats and clothing they have on sale.

Motion: None

Second: None

Discussion: None

7. **Correction to Agenda for Closed Meeting of 21 Apr 09**

Statement: Chairman Schug explained that although the voting for who would attend the mediation proceedings in El Paso was done in the open portion of the meeting, a discussion of who was to attend and why were done during the closed portion of the meeting.

Motion: None

Second: None

Discussion: None

Briefing by Pam Boskin of the Sacramento Ranger District: explaining the current fire situation in the area and the upgrade to fire restriction Stage Two in the National Forest and the details of that condition. Chairman Schug explained that Timberon was under the jurisdiction of the state but the restrictions were very similar and posted by the Post Office. She introduced Donna Owens the new district ranger for this district.

New Business:

8. **Review Bylaws Committee Recommendations for Revisions, Amendments and Changes to the Bylaws**

Chairwoman Judy Underwood was unable to attend the meeting and Burt Rubinowitz read and explained all the revisions, amendments and changes the committee submitted for consideration by the board. He thanked the members of the committee for their hard work and said it was one of the best he had ever been involved with.

This was the first reading so no changes were allowed.

9. **Create an Advisory Committee for Establishing a Website for the District**

Statement: None

Motion: Virgil Beagles "I so move"

Second: Burt Rubinowitz. All voted aye.

Discussion: chairman Schug stated he thought this was a good idea to have an official website. There are 3 or 4 ones that get the information out there, but an official one is the way to go. He asked Burt Rubinowitz to be on the committee. Burt Rubinowitz replied he would be happy to do it if there were no other nominations. Bill Curtis asked if this would be a community website or just for TWSD. Chairman Schug stated that would be up to the committee with the board's approval but he thought that mostly official TWSD information would be on there with a few other important notices.

11. **Appoint Delegates for the New Mexico Rural Water Association**

Statement: Chairman Schug stated the delegates did not have to be board members but would be required to submit a report as to what went on at the meetings. He said Dick Dysart had been a delegate before and he wanted to again he (Chairman Schug) would be the other one.

Motion: Burt Rubinowitz "Limit delegates to board members only".

Second: Arden Schug. All approved.

Discussion: None.

Motion: Virgil Beagles "Appoint Arden Schug and Burt Rubinowitz delegates to the new Mexico Rural Water Association".

Second: Burt Rubinowitz. All members voted approval.

Discussion: None.

12. **Accept Donation of 30 Toro Sprinkler Heads**

Statement: Chairman Schug said he didn't think they needed to vote on this and he wished to thank Mr. Beagles for the generous donation of the sprinkler heads for the golf course.

Motion: None

Second: None

Discussion: None

13. **Approval for GM to Retain Financial Accounting Services in an Amount Not to Exceed \$25,000**

Statement: Dr Moore explained they were currently using a double entry accounting system. There are two approaches to this. The State Board of Finance states Quick Books Pro, a single entry system, is fine as long as you stay on top of things. The second system is the double entry system like we are using now which is somewhat more complicated. I have no preference for either system. He outlined the advantages and disadvantages of each system. The single entry system would be simpler if we started over and reentered everything and is not a big deal since the current books are so messed up. On the double entry side the individual who wrote the state software we currently use is available. He briefly discussed the two companies involved. He clarified for Mr. Beagles that he was talking about two professional accounting individuals who have two completely different approaches to reconciling our books. Mr. Beagles asked if this was an additional \$25,000 above the \$16,000 already allocated for this procedure. Dr. Moore said this is the same \$16,000 and an

additional \$9,000 we had already allocated for in the budget. A brief discussion of the monies allocated and needed was had ending with Dr. Moore indicated that if the simpler single entry system was selected he foresaw no problem with needing only \$16,000. Mr. Beagles questioned why would want to use an additional \$9,000 on a difficult system when it may more sense to have something a person off the street could come in and use. He also asked why we needed an accounting firm to come in when we have the simpler system. Chairman Schug stated we had told the State Board of Finance we would hire someone to reconcile our books. Mr. Beagles stated we could buy it off the shelf for \$500 or \$600 and have someone enter everything. He said his wife would have the knowledge to answer that and he was going to call her. Chairman Schug agreed he should consult his wife and called a break in the meeting for approximately 5 minutes.

Motion: Virgil Beagles “ Hire the Nunez Group to Reconcile the books with Quick Books Pro for \$16,000”.

Second: Burt Rubinowitz. Unanimously approved.

Discussion: None.

14. Authorize RFB for Tank 2 Upgrade and Refurbish

Statement: Dr. Moore read a document from the State Construction Programs Bureau provided by Virgil Beagles which showed how much money was left in each grant for Timberon. A discussion of payments made, work done and current status of work under each grant was had.

Motion: Virgil Beagles “Authorize RFB for Tank 2 Upgrade and Refurbish”.

Second: Burt Rubinowitz. Unanimously approved.

Discussion:

15. Request for Support in Getting Xtreme Home Makeover to Timberon Presented By Donna Milar (this item was moved in front of item eight)

Statement: Donna Milar said her and a couple of others would like to submit applications to Xtreme Makeover Home Editions for the Haupt and the Morgan/Hamilton families, They would appreciate an endorsement by the board which they feel would help give their requests more weight and show the support of the community. Chairman Schug and Virgil Beagles said there were other funds that might be available to help also.

Motion: Virgil Beagles “Sign the endorsement as requested”. **Withdrawn**

Second: Burt Rubinowitz. **Withdrawn**

Amended Motion: Virgil Beagles “Sign the endorsement for the Haupt family”.

Seconded: Burt Rubinowitz. All voted aye.

Discussion: Chairman Schug pointed out that the Morgan/Hamilton family had insurance and Donna Milar didn’t know if they had enough to completely rebuild. Virgil Beagles offered to amend his motion. Chairman Schug offered any other help that may be needed by the Morgan/Hamilton family would certainly be considered favorably.

16. Send Arden Schug and Martin Moore to the State Board of Finance to Present the Asset Management Plan and Water Rate Studies on May 19th, 2009

Statement: Chairman Schug stated the state has we requested we do this. Virgil Beagles requested a copy of each document. Chairman Schug called a 5 minute break while copies were located. Chairman Schug reconvened the meeting and while Dr. Moore was looking for the documents, the minutes of the two previous meetings were examined and voted on.

Motion: Postponed until 20 June meeting.

Second: None

Discussion: None

Committees:

Swimming Pool Committee – Chairman Schug said it is coming along and they had just had some inspections done which been passed.

Budget Committee – None.

By-Laws Committee – Burt Rubinowitz said the committee had looked at HB 337 and decided that since nothing took affect until July that we would wait until then before recommending anymore changes.

Water Rate Committee – Chairman Schug explained that the water rate studies had been shown to the state board of finance but no decision had been made as to which rate would be the fairest and most equitable. HB 337 also affected water rates in that it could be handled by the District Court instead of the PRC and that would most likely have to be decided by resolution and a vote by the board.

Golf Course Committee – Covered in the manger’s report.

Directors Remarks: Due to problems with the recording device the remarks were not recorded.

Agenda Request: Will be done during the work session following this meeting.

Executive Session: None

Unscheduled Citizens Communications:

Adjourned at 2:30pm.

Minutes submitted by Charlie Ross
Secretary of the Board

Approved by: _____
Arden Schug Date

Posted