

MINUTES – REGULAR MEETING
Board of Directors of Timberon Water and Sanitation District
Tuesday August 11, 2026 at 5:00 pm
Timberon Community Center, “Lodge”
1 Bobwhite Circle, Timberon, NM 88350

Authorized by the Board of Directors, Timberon Water & Sanitation District.

CALL TO ORDER

Treasurer Josh McCurdy called the meeting to order at 5:00 PM

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

Board members present: Treasurer Josh McCurdy, Director Jesse “JJ” Duckett, Director Derenda Robb, Director Sherry Tackett.

Board members absent: None.

A quorum was achieved

Staff present: General Manager Wendy Case, Board Secretary Nanette Thorell.

APPROVAL OF AGENDA

Director Robb moved to approve the agenda as written. Treasurer McCurdy seconded the motion. A vote was called. . Treasurer McCurdy, Director Duckett, Director Robb and Director Tackett all voted in favor and the motion passed unanimously.

MANAGER REPORT

GM Case presented the manager's report.

- Total water produced this month was 5,760,000 gallons; water loss figures will not be available until the gallons-sold report is received.
- GM Case thanked community members who volunteered to assist with F&S billing this month.
- A 900-count mailer was sent this month addressing violations dating back to 2023.
- GM Case reported that the recent increase in IPRA requests has resulted in the loss of a valuable team member. The exact volume of IPRA requests is difficult to quantify, as each request may run 3–4 pages, with 7–8 questions per page and 2–14 points per question. The two newest staff members are not yet trained to research IPRA requests, so GM Case is currently handling all of them herself, along with the rest of her workload.

TREASURER REPORT

Treasurer McCurdy read the bank balances.

- F&S \$75,262.09
- Operations \$96,101.67
- USDA accounts: Pass Through \$846.30, Debt Service \$5,993.46, Short-term asset replacement \$167,612.42
- Water Restricted Reserve \$5,158.38
- Water Standby \$66,079.62

DISCUSS / APPROVE MINUTES of the July 31, 2026 Special Meeting.

Director Tackett moved to approve the minutes of the July 31st Special Meeting. Director Duckett seconded the motion. A vote was called. Treasurer McCurdy, Director Duckett, Director Robb and Director Tackett all voted in favor and the motion passed unanimously.

DISCUSS / APPROVE MINUTES of the August 4, 2026 Special Meeting.

Director Tackett moved to approve the minutes of the August 4th Special Meeting. Director Duckett seconded the motion. A vote was called. Treasurer McCurdy, Director Duckett, Director Robb and Director Tackett all voted in favor and the motion passed unanimously.

OLD BUSINESS

1. Discussion and Follow-up on the Leak Detection Team approved at the last regular meeting.

Director Duckett provided an update on the Leak Detection project. The project will include a water audit and a written plan addressing water loss reduction, to be submitted to Environmental by the end of next month. Timely submission will qualify the District for a 10% penalty reduction. No action was taken on this agenda item..

2. Discuss / Appoint a board member to monitor SCADA as approved at the last regular meeting and immediately set up secure remote access.

Director Duckett stressed the importance of the SCADA system and volunteered to serve as the board member appointed to monitor it.

Director Robb moved to appoint Director Duckett as the board member responsible for monitoring the SCADA system. Director Tackett seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Director Robb, and Director Tackett all voted in favor, and the motion passed unanimously.

3. Discuss / Approve Resolution 2026/2027-004 Accepting the NMED Administrative Compliance Order regarding the fines in the amount of \$62,620 for violations occurring in 2023, 2024, and 2025 (tabled from the July 31 Special Meeting).

Director Duckett and GM Case reviewed the contents and purpose of the resolution, explaining that for each task listed in the resolution the District completes, a corresponding percentage of the fine will be reduced. [att. Exhibit A]

Director Duckett moved to accept the NMED Compliance Order regarding the fines totaling \$62,620 for violations occurring in 2023, 2024, and 2025. Director Robb seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Director Robb, and Director Tackett all voted in favor, and the motion passed unanimously.

Additional general discussion followed regarding the status of running spring water through the plant, and the plans for the Level 4 Operator to initiate that process.

NEW BUSINESS

1. Discuss / Appoint board Director, Position 2.

Treasurer McCurdy opened the floor for nominations. Cathie Johnson, James Wilcox, and Joseph Pereira were nominated. Each candidate spoke regarding their qualifications and reasons for wanting to serve on the board.

A roll call vote was taken:

Director Robb — Joseph Pereira
Director Duckett — James Wilcox
Treasurer McCurdy — James Wilcox
Director Tackett — James Wilcox

James Wilcox was confirmed and appointed to Position 2 by majority vote.

2. Swearing in of newly appointed Director.

Secretary Thorell administered the oath of office to Director Wilcox and notarized the document. Director Wilcox then took his seat on the board.

3. Nominations and election of board Chairman.

With no Chairman or Vice-Chairman seated at the time, Treasurer McCurdy — the only remaining officer — opened nominations for board Chairman and nominated Director Derenda Robb. Director Tackett seconded the motion. With no further nominations, a roll call vote was called.

Director Duckett — Derenda Robb
Treasurer McCurdy — Derenda Robb
Director Tackett — Derenda Robb
Director Wilcox — Derenda Robb
Director Robb — Derenda Robb

Derenda Robb was elected Chairman by unanimous vote.

4. Nominations and election of board Vice Chairman.

Treasurer McCurdy moved to strike Agenda Item 4 (nominations and election of Vice-Chairman) and wait until the next biennial election to fill the position. Director Tackett seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Chairman Robb, Director Tackett, and Director Wilcox all voted in favor, and the motion passed unanimously.

5. Discuss / Approve 16 liens on Standby lots for \$4,562.45

There was no discussion.

Director Duckett moved to approve the 16 liens on Standby lots totaling \$4,562.45. Treasurer McCurdy seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Chairman Robb, Director Tackett, and Director Wilcox all voted in favor, and the motion passed unanimously.

Public Comment (related to community concerns raised during this item):

Community member Clark asked about the status of foreclosures on delinquent accounts. GM Case responded that the attorney has been provided the three oldest liens but has not yet given an update.

Community member Mary expressed concern that owners of off-grid or unimproved lots do not contribute to dumpster fees despite using the dumpsters, placing the full burden on water-account customers. She felt this was unfair. Discussion followed regarding a possible fee schedule requiring

all property owners to contribute to dumpster costs. Director Duckett suggested the matter be referred to the Budget Committee and requested that re-establishment of the Budget Committee be placed on the agenda for the next board meeting so the issue can move forward.

Community member Penny noted that a similar proposal to place a trash fee on every lot in Timberon was brought before the board in 2025 and was rejected by the community. She then asked for an update on the recent grant for the dumpster site. GM Case reported that training began last week, that the District is seeking a fiscal administrator as required by the grant, and that a meeting with the engineers is scheduled to finalize the site design. Both the old and new dumpster sites will require permitting.

6. Discuss / Approve authorizing the General Manager to contact, instruct, and interact with the TWSD attorney on matters dealing with IPRA submissions.

Director Duckett reviewed the reasoning behind the proposed authorization, noting that because IPRA requests are time-sensitive, the GM should be able to contact the attorney directly as needed rather than waiting for a board meeting.

Treasurer McCurdy moved to authorize the General Manager to contact, instruct, and interact with the TWSD attorney on matters dealing with IPRA submissions. Director Tackett seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Chairman Robb, Director Tackett, and Director Wilcox all voted in favor, and the motion passed unanimously.

7. Discuss / Approve authorizing the General Manager to hire two staff members on a seasonal basis of 3 to 6 months. One to help with the extra workloads in the office, and one to help the crew with leaks and the leak detection work.

Director Duckett and GM Case reviewed the need for seasonal part-time staff, followed by a brief discussion. Director Duckett moved to authorize the General Manager to hire two staff members on a seasonal basis of 3 to 6 months. Director Wilcox seconded the motion. A vote was called: Treasurer McCurdy, Director Duckett, Chairman Robb, Director Tackett, and Director Wilcox all voted in favor, and the motion passed unanimously.

8. Valarie Dwight (Discover Timberon, Inc.) to speak to the board concerning improvement to the High Country Lounge.

DTI representative Valarie Dwight read a prepared statement regarding the High Country Lounge.
[att: Exhibit B]

Director Duckett raised a previously flagged concern regarding unclear liability insurance coverage on the golf course. Ms. Dwight assured the board that the golf course is covered under insurance purchased by DTI and noted that improvements to the golf course are planned but that DTI wanted to address the High Country Lounge first.

Community member Arden expressed dissatisfaction with the current condition of the golf course. Ms. Dwight reiterated that maintenance improvements are forthcoming.

No action was taken on this agenda item.

PUBLIC QUESTION AND ANSWER SESSION

Community member Arden reiterated his opinion that instrumentation is needed on the water system to address hammering.

Community member Tim asked who is responsible for maintaining the ponds. Community member Ruth, also a DTI shareholder, responded that Tony McWilliams (TVFD Fire Chief) is responsible for keeping the ponds full. Director Duckett provided additional input regarding operation of the water valves to the ponds.

DIRECTOR'S REMARKS

There were no director's remarks.

MOTION TO ADJOURN

Treasurer McCurdy moved to adjourn the meeting. Chairman Robb seconded the motion. Treasurer McCurdy, Director Duckett, Director Robb, Director Tackett and Director Wilcox all voted in favor, the motion passed unanimously and the meeting adjourned at 6:53 PM

Approved August 24, 2026

Chairman Derenda Robb

Secretary Nanette Thorell

{SEAL}

**BOARD OF DIRECTORS OF THE
TIMBERON WATER AND SANITATION DISTRICT
RESOLUTION NO. 2026/2027-004**

A resolution accepting the NMED Administrative Compliance Order

WHEREAS, the Timberon Water and Sanitation District ("District") is committed to ensuring long-term compliance with all state and federal drinking water requirements; and

WHEREAS, the New Mexico Environment Department ("NMED") has issued an Administrative Compliance Order to the District, which assesses a total civil penalty of \$62,620; and

WHEREAS, NMED's stated goal is to prioritize corrective actions that will meaningfully improve system operations, strengthen governance and oversight, and support the District's long-term compliance; and

WHEREAS, NMED has developed a settlement framework that connects the successful completion of specific corrective actions within specified timeframes with reductions in the assessed civil penalty, allowing for a total standard reduction of up to sixty-five percent (65%), resulting in a final payable penalty of \$21,917, or up to a ninety percent (90%) reduction for early completion, resulting in a final payable penalty of \$6,262; and

WHEREAS, the Board of Directors finds that accepting the terms of this Administrative Compliance Order and settlement framework is in the best interest of the District, its operations, and its consumers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timberon Water and Sanitation District that:

1. Acceptance of Terms & Settlement Framework

The District hereby formally accepts the terms of the Administrative Compliance Order and the associated NMED settlement framework, including the conditional civil penalty of \$62,620.

2. Commitment to Specific Corrective Actions

The District commits to executing the following corrective actions within the specified timeframes to secure the maximum possible penalty reductions:

- **2023 Audit Special Conditions:** Complete special conditions established by the Construction Programs Bureau and submit documentation by July 31, 2026 (qualifies for 10% / \$6,262 reduction).
- **2024 & 2025 State Audits:** Complete and submit the 2024 and 2025 Office of the State Auditor audits by July 31, 2026, or within the extended timeframe provided per NMED's June 24, 2026, correspondence (qualifies for 10% / \$6,262 reduction).
- **Board Training:** Complete training for the District's governing board by September 30, 2026 (qualifies for 5% / \$3,131 reduction).
- **Water Audit & Water Loss Plan:** Complete a water audit and submit a written plan addressing water loss reduction by September 30, 2026 (qualifies for 10% / \$6,262 reduction).
- **Public Notices & Certifications:** Issue revised public notices and submit certifications addressing specified monitoring and reporting violations by July 31, 2026 (qualifies for 5% / \$3,131 reduction).

- **Monthly Operating Reports:** Submit completed Monthly Operating Reports prepared and signed by an appropriately certified operator for six consecutive months once the treatment plant is placed back into operation (qualifies for 5% / \$3,131 reduction).
- **Sanitary Survey Deficiencies:** Correct remaining significant deficiencies identified during the July 16, 2022, sanitary survey within three months of the treatment plant returning to operation (qualifies for 5% / \$3,131 reduction).
- **Pathogen Inactivation:** Demonstrate continuous pathogen inactivation entering the distribution system for six consecutive months once the treatment plant is operational (qualifies for 5% / \$3,131 reduction).
- **Membrane Integrity Testing:** Successfully complete daily membrane integrity testing for six consecutive months once the treatment plant is operational (qualifies for 5% / \$3,131 reduction).
- **Progress Reports:** Submit quarterly progress reports to NMED detailing the District's progress toward returning to compliance (qualifies for 5% / \$3,131 reduction).

3. Early Completion Incentive

The Board notes and directs staff to target early completion of all actions where feasible to qualify for the maximum ninety percent (90%) total penalty reduction, reducing the final payable penalty to \$6,262.

4. Authorization of Officers

The Board hereby authorizes and directs the **Board Chairman** to sign the Administrative Compliance Order, settlement agreement, and any related documents necessary to execute this resolution.

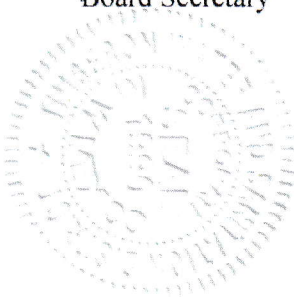
PASSED, APPROVED, AND ADOPTED this 11 day of Aug., 2026.

By: [Signature]

Board Chairman

Attest: [Signature: R. Howell]

Board Secretary



High Country Lounge and Grill Community Update to the TWSD Board

As of May 2025, Discover Timberon, Incorporated, doing business as High Country Lounge and Grill, entered into a 10-year lease agreement with TWSD.

At the outset of the lease, **TWSD made it clear that there were no available funds to maintain the golf course or the building, nor to provide the required commercial insurance coverage for these properties.** As a result, the funds that would ordinarily have been available for rent payments were instead invested in preserving, maintaining, and improving these important community assets, **while also covering the full cost of commercial insurance.**

Today, Discover Timberon Incorporated (DTI) continues to bear all expenses associated with the leased properties, including building and grounds maintenance, repairs and improvements, and the annual commercial insurance premiums on all properties.

When we relaunched the High Country in 2025, our vision was to revitalize the operation, strengthen the local economy through quality employment, and create a gathering place that brings our community together.

(DTI)
Tonight, I'd like to share how Discover Timberon is fulfilling that commitment.

(DTI)
Since May 2025, Discover Timberon has invested a **value** of more than **\$38,000** in improvements to the High Country facility. These investments include major repairs and renovations to:

- the*
- Men's and Women's restrooms
 - Front and back decks
 - Fireplace Repair, Walk in Cooler, and countless smaller repairs

The offer of the 10-year lease allowed DTI to invest substantial private funds into the building. As a result, over the past 15 months, compared with the previous lease agreement, TWSD has realized a conservative estimated savings of more than \$26,000 in maintenance, repairs, and commercial liability premiums which DTI funded. These investments have ensured the facilities remain operational, protected, and available for the benefit of the Timberon community.

Regarding our economic impact, currently the High Country provides employment for **6 residents**, with an annual payroll of **more than \$131,000**. Those wages are earned and spent here in our community, directly supporting local families and contributing to Timberon's economy.

Beyond these financial investments, the volunteer Board of Directors of Discover Timberon and shareholders have contributed more than **3,000 hours** of volunteer labor to support the High Country's success. All proceeds go back into the facility. *Our efforts are a work in progress as we have funds and manpower available.*

We also believe in giving back to the community that supports us. Since relaunching, we have donated more than **\$2,500** to local nonprofit organizations. ~~Here are some of those non-profits:~~ *which are the*

- Timberon Development Council - Timberon Youth Boosters - Timberon Volunteer Fire Department
+ the Baptist Church

We have made these investments because we love this community. We believe the High Country Lounge and Grill is far more than a restaurant—it is a vital gathering place, an economic driver, and an important part of what makes Timberon a great mountain community.

We remain committed to preserving and improving this asset for the benefit of residents and visitors for years to come.