

Minutes of the August 20, 2011 Meeting of TWSD Board of Directors

Attending in person were Directors Arden Schug, Edward "Mike" Bovey, and Burt Rubinowitz and attending via teleconference were Directors Joe Mainello and Virgil Beagles. There being a quorum present the meeting was called to order by Chairman Rubinowitz at 10:06 AM.

Pledge of Allegiance

Salute to New Mexico Flag

Approval of Agenda: Mike Bovey moved to approve the agenda for the meeting. Arden Schug seconded and there was no discussion. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the agenda was approved.

Adoption of the minutes of July 16, 2011 meeting. Chairman Rubinowitz read the minutes of the July 16, 2011 Meeting. Arden Schug moved to approve the minutes. Mike Bovey seconded and there was no discussion. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the minutes were approved.

Treasurer's Report: Arden Schug reported that the Budget Committee had met and only went through the water budget. There was nothing to report on this effort as the committee is still working on the budget. Arden Schug stated that we have been spending more than we have been taking in, and that we are going to start managing the TWSD to the budget. We will have budget meetings every Thursday at 10:00 AM in the Lodge and everyone is encouraged to bring their ideas to these meetings. Arden Schug explained that there is not much money coming into the General Fund because this is funded by property taxes. The water side of the General Fund is looking better, but he stressed the need for building our capital improvement fund in order to make improvements in our water system.

Interim General Manager's Report: (Interim General Manager stepped out briefly and without objection Chairman Rubinowitz moved on to committee reports.)

Committee Reports:

Swimming Pool: Joan Schug reported that the swimming pool has had a successful season this year. Several reasons for this success were reported. One reason has been the number of groups from outside Timberon visiting the pool which has increased pool revenue considerably. Most notably was the United Way Summer Program for Children from Cloudcroft who brought two buses on two occasions. Advertising in surrounding mountain communities also paid big dividends and increased patronage/revenue of the pool. Additionally, financial contributions by members of our community (as in the past years) played a key roll. Special thanks were offered to Mountain Propane for their support of the community pool as well as to Kevin Keune and Jason Hamill for their volunteer handy work at the pool. Joan also acknowledged the great job done by the life guards this year. The pool will close for the season after the Timberon Youth Boosters "end of summer" event on September 6th. Joan acknowledged the significant contributions made by Shantel Keune to the success of

the Timberon Swimming Pool - she encouraged everyone to thank Shantel in person for her efforts. A request was made of the Board to have the weeds cut behind the pool as they present a hazard. Arden Schug interjected that the pool was self sufficient this year. Joan Schug added that the money goes to the Booster Club and they in turn pay all the bills.

Budget Committee: Since Dick Dysart was out of town, Arden Schug reported for the budget committee and referred to the comments he made in his treasurers report. He said that the committee would continue to work on the budget and needed to get it to the DFA (Department of Finance Administration) as soon as possible.

Interim General Manager's Report: Interim General Manager Ron McCormick gave the report. He discussed recent problems with the water plant which were mostly electrical in nature with the most recent need to replace an electrical relay in the main well pump. These items caused an unexpected increase in system expenditures. He also related that expenditures tend to be more during the summer months since this is when repairs/improvements to the system can be done. Conversely during the cold winter months it is more difficult to do this kind of work. Ron reported on the status of the tanks and related they should all be full by next week. He discussed an issue with the transfer pump (transfers water from water plant to tank on Buckwood) that would be addressed next week. Ron related he is making up a prioritized list of roads that need attention. He also discussed/recommended cutting the water off from the small lake by the lodge and moving the fish to another lake and waiting until our financial situation has improved to invest in improvements to the larger lake. Lastly, Ron discussed the current status of salvaging of items located at the maintenance shop, and his attempts to contact the salvage company to include information on the dollar amount we are getting for the grader.

Unfinished Business - Election of Officers: Chairman Rubinowitz related that all officer positions are filled except the position of Secretary and that efforts to get a volunteer from the community to fill this position have been unsuccessful. He made one more request and there were no volunteers. With no volunteers forthcoming, He indicated that a Secretary could be elected from serving board members. If the Secretary is a board member, some duties would be limited as they relate to the running the upcoming election of board members. There was a question from the floor concerning a paid position for the Secretary, and Chairman Rubinowitz related that due to budget constraints we would prefer to cover this position with a board member. Arden Schug recommended Virgil Beagles for this position, and he declined. Arden Schug then nominated Mike Bovey. Chairman Rubinowitz was requested to delineate the duties of the Secretary, and he discussed the various duties and responsibilities. With no other nominations, Chairman Rubinowitz closed the nominations and called for a vote. Directors Schug, Mainello, and Rubinowitz voted Aye. There were no negative votes and Mike Bovey was elected to the position of Secretary. A question from the floor concerned recording the minutes to assist in preparing the minutes, and Chairman Rubinowitz related that we currently have two recordings of the minutes that can be used for this purpose.

New Business:

General Manager Position: The issue of permanent Manager was discussed. The contract with Ron McCormack as the Interim General Manager was discussed and currently has no time limit. Chairman Rubinowitz indicated that our focus at this time is to determine how we will approach the permanent position of General Manager for the district. Arden Schug as

Treasurer interjected that given our current budget constraints we are not in a position to pay a full time General Manager position. He believes that the General Manager position could be a part time position with the other senior members of the TWSD team taking responsibility for planning/managing their respective areas. The General Manager would then manage these individuals. Arden Schug then moved that we create an RFP for a General Manager on a part time basis. Mike Bovey seconded. Virgil Beagles questioned how the Pro-forma Board could create the RFP and indicated that the Receiver would need to do this if funds were to be obligated. Chairman Rubinowitz related that any RFP created by the Board would be subject to review by the Receiver, and the Receiver would have to give his permission under the Receivership Order to actually create the position and hire. Chairman Rubinowitz stated that he believed that generating the RFP was within the guidelines of what the Board is allowed to do under the Receivership Order. Mike Bovey recommended that the RFP be generated as a draft. Chairman Rubinowitz stated that it in fact would be a draft RFP. Some further discussion with the audience followed related to the General Manager position, the Receiver, and the RFP. There being no further discussion Chairman Rubinowitz called for a vote on the motion. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the motion was passed.

Golf Course/Fishing Lakes Seasonal Changes: Chairman Rubinowitz discussed the Interim General Managers recommendation to close the upper fishing lake with the intent that we will need the water to bring the filtration plant on line and this untreated water could be used for the golf course. He also mentioned that we normally reduce the staff at the golf course during the winter season. Depending on the weather it was reported that the golf course would close for the winter around the beginning of October. The Interim General Manager asked how much money was made by the golf course this year and the Treasurer, Arden Schug was unable to address specifics. Chairman Rubinowitz related that there have been a lot fewer golfers this year, and he inferred this situation might improve with the water being diverted from the fishing lakes to support the golf course. Arden Schug moved that we close the upper fishing lake; transfer the fish to Lake 6 as best possible; and lay off the seasonal workers at the golf course when the course is closed. Mike Bovey seconded and there was no discussion. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the motion was passed.

Annual Tax Levy Notification to County: Chairman Rubinowitz related that we are required by the Water and Sanitation Act to notify the county by October 1st by resolution of the tax levy rate that we intend to charge for the coming year. The current rate is capped at 10 mills. He related that on the last bill he saw, we are only collecting 9.697 mills. Mike Bovey moved to create the resolution and notification to the county that our tax mill levy will be 10 mill for the coming year. Arden Schug seconded the motion. Questions from the audience related to the Receivers participation in this process and the history of the rate of 9.697 mills. Chairman Rubinowitz stated that any spending or funding issue raised by the board is subject to the approval of the Receiver. The Board will still need to draft the resolution and forward it to the Receiver for approval. Chairman Rubinowitz did relate that the Board can act on items pre-approved by the Receiver, and the Receiver has stated that it is his intention to start to return some of the duties of the Board back to the Board. Chairman Rubinowitz addressed the current rate by saying that he was not aware of the reason for 9.697 mill levy, but an inquiry will be sent to the county for further background on this issue. Arden Schug provided some background on how the tax process works. There being no further discussion Chairman

Rubinowitz called for a vote on the motion. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the motion was passed.

Non-Binding Resolutions: None

Memorials: None

Status of the District: Arden Schug brought up the point that the superintendent of the golf course in Cloudcroft visited Timberon and made the rounds with Bill Morley. He made recommendations on how to improve the Timberon golf course. Bill Morley gave a brief outline of the recommendations and stated they are starting to implement the recommendations.

Directors' Remarks: Virgil Beagles expressed his appreciation for the get well card sent by the Timberon Women's Bible Study. Chairman Rubinowitz commented that with Mr. Bovey joining the Board we now have all five positions on the Board filled.

Public Invited to Be Heard:

Joan Schug related that the Timberon Volunteer Fire Department Chief volunteered to take care of the weeds behind the swimming pool.

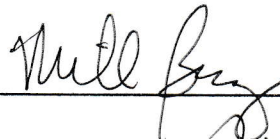
Joan Iverson requested status of collecting outstanding standby fees. Chairman Rubinowitz stated that at this point this issue is in the hands of the Receiver. With the assignment of a new Receiver it may be looked at again. Arden Schug related that the liens have all been prepared; and pending the hiring of a new attorney and the desires of the new Receiver, the foreclosure process could begin. Further discussion covered what happens when a property is foreclosed on, foreclosure costs/procedures as well as approximately how much has been collected so far and how much is still owed.

BF Adams asked about the individual disposal of larger items such as appliances. Ron McCormick discussed current efforts to salvage the backlog of these items currently in the maintenance area. Arden Schug expressed his opinion that individuals should take responsibility for the disposal of their own large items, and TWSD should not put manpower to this end. Chairman Rubinowitz stated that there would be an effort to address this issue and possibly identify a drop point for these items as well as some procedures.

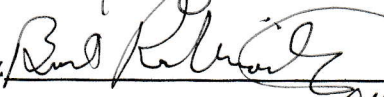
Mike Bovey moved to adjourn and it was seconded by Arden Schug. The vote was unanimous and the meeting was adjourned at 11:23 AM by Chairman Rubinowitz.

Minutes Approved and adopted, September 17, 2011:

Secretary Mike Bovey

 9/21/11

Chairman Burt Rubinowitz


Sept 17, 2011