

MINUTES - REGULAR MEETING
Board of Directors of Timberon Water and Sanitation District
Tuesday May 12, 2026 at 5:00 pm
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

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

CALL TO ORDER

Chairman Price 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: Chairman Otis Price, Vice Chair Caleb Flora, Treasurer Joshua McCurdy, Director Jesse "JJ" Duckett, Director Derenda Robb.

A quorum was achieved.

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

APPROVAL OF AGENDA

Treasurer McCurdy moved to approve the agenda as written. Vice Chair Flora seconded the motion. A vote was called. All voted in favor, none opposed and the motion passed unanimously.

MANAGER REPORT

General Manager Case presented her report to the Board.

Water Production: Water production for April totaled 6,093,200 gallons — 3,526,200 gallons from Well #1 (the plant) and 2,567,000 gallons from Well #2 (the golf course). Water sales numbers are not yet available, so water loss cannot be calculated at this time due to delays resulting from leaks, software issues, and office staff turnover. Bills are expected to be printed the following day and mailed by Thursday. Nan is assisting in the office during the transition period.

Audit: The FY2024 audit draft is expected to be completed by Friday.

Staffing: Two job postings will be published — one for a Billing Clerk and one for a Front Desk position.

Colonias Grant: The Colonias Grant Request for solid waste disposal improvements has been submitted. The grant amount was increased from the original request to \$367,000. Approval is expected to be announced within the following week.

Community Service Grant: A Community Service Grant application has been submitted to Otero County.

DFA Reporting: Q1 and Q2 reports have been entered into the DFA system; work on Q3 is ongoing.

USDA Reporting: USDA reporting, previously three fiscal years in arrears, is now current. A connection has been established with a USDA loan officer who is assisting in identifying remaining steps needed to achieve full compliance.

TREASURER REPORT

Treasurer McCurdy presented his report (see attached Profit & Loss Report) and highlighted several notable items.

Budget Status: At this point in the fiscal year, TWSD is at approximately 83% of budget and is nearly on track with projections. An additional \$10,000 was received on the 28th, with another \$7,500 expected from tax receipts.

Under Budget:

- Parts purchases — due to diligent efforts by office staff in sourcing parts at the best available prices.
- Attorney fees and professional services.

Over Budget:

- Travel costs — attributed to factors related to line repairs, including parts runs and fuel prices.

Treasurer McCurdy thanked General Manager Case and the crew for their efforts to remain within budget despite the numerous challenges encountered during the fiscal year.

FY2026-2027 Budget: Treasurer McCurdy noted that adjustments will be made to the upcoming budget based on lessons learned, with a focus on improving operational efficiency and increasing revenue.

USDA Loan: An outstanding balance of \$50,000, compounding from prior years, is owed to the USDA.

Discussion:

Director Duckett reminded the Board and staff that the majority of items referenced in the report are required to be brought before the Board for approval prior to action being taken, per TWSD Bylaws Article 7. Compliance Officer Anita Braun provided clarification regarding USDA issues related to the Colonias Grant.

Director Duckett further noted that the hiring of two employees as referenced in the Manager Report would result in a net increase in headcount and that Board approval is required prior to any such increase, per TWSD Bylaws Article 7.03.

WATER ADVISORY COMMITTEE REPORT

Water Advisory Committee Chairman Arden Schug presented his report to the Board.

Current Focus Areas: The Committee is actively working on two major issues.

1. **Water Line Configuration:** The Committee is evaluating a return to a single-line configuration from the Treatment Plant to Tank #2, rather than the current branched configuration. The single-line approach is expected to simplify troubleshooting and ongoing maintenance.
2. **Leak Causes and Pipe Installation:** A lengthy discussion was held regarding the causes of leaks and pipe installation practices.

SCADA Access: Committee Chairman Schug requested access to the SCADA system to support the Committee's work. The Board agreed to the request. Chairman Price agreed to arrange access setup.

Instrumentation: Committee Chairman Schug recommended that TWSD increase its investment in instrumentation.

No formal action was taken on this agenda item.

WATER SYSTEMS REPORT (L4 Alex Salas)

Chairman Price presented the Water Systems Report on behalf of Level 4 Operator Alex Salas.

Regulatory Violations and Fines: L4 Salas has been working to resolve \$62,000 in fines stemming from 32 violations dating back to 2022. Through his efforts contesting the violations, the 32 violations have been reduced to 3, which is expected to result in a significant reduction in the total fines owed.

Engineering RFQ: A Request for Quote (RFQ) is being prepared for release to solicit bids from engineering companies. Director Duckett expressed concern regarding issuing a new RFQ rather than continuing with TWSD's current engineering firm, Bohannon/Huston.

Upcoming Work: L4 Salas will be on-site in Timberon this weekend to perform work on the SCADA system at the Filtration Plant.

No formal action was taken on this agenda item.

Discuss and Approve the minutes of the April 14th Regular Meeting.

There was no discussion. Treasurer McCurdy moved to approve the minutes of the April 14, 2026 Regular Meeting as written. Director Robb seconded the motion. As Director Duckett was not present in the room at the time of the initial vote, the vote was re-taken upon his return. Chairman Price, Vice-Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion passed unanimously.

NEW BUSINESS

1. Discuss/Approve/Disapprove Conflict of Interest Policy and Disclosure Form draft for TWSD Board Of Directors members and Staff.

Chairman Price reviewed the need for a Conflict of Interest Policy and Disclosure Form and read the form aloud (see attached). Treasurer McCurdy moved to approve the Conflict of Interest Policy and Disclosure Form. Vice Chair Flora seconded the motion. Chairman Price, Vice Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion passed unanimously. All Directors signed a Conflict of Interest Disclosure Form. Secretary Thorell applied the District seal to each signed form. The completed forms will be retained on file at the District office.

2. Discuss and Approve/Disapprove hiring Joe Lewandowski's services as a contractor to bring TWSD into compliance with NMED for the solid waste disposal site.

Chairman Price opened the discussion regarding engaging Otero County's consultant, Joe Lewandowski, to bring TWSD into compliance with New Mexico Environment Department (NMED) requirements for the solid waste disposal site. Chairman Price explained that Mr. Lewandowski's services would include completing and submitting a 20+ page compliance form to the state at a fee of \$500.00. Mr. Lewandowski was noted to have familiarity with the form and with the state's requirements.

Treasurer McCurdy moved to approve a services contract with Joe Lewandowski. Director Duckett seconded the motion. Chairman Price, Vice Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion carried unanimously.

3. Discuss/Approve/Disapprove the allocation of the remaining \$39,000 of grant funds in the following manner: \$10,000 - \$12,000 to Bohannon/Huston for re-engineering the Tank 3 plans (downsizing). \$10,000 for the purchase of a replacement water tank for the TVFD. The remainder to be used for water infrastructure repairs and parts.

Chairman Price reviewed the need to allocate the remaining grant funds prior to the end of the fiscal year. The proposed allocation was as follows:

- \$10,000 – \$12,000 to Bohannon/Huston for re-engineering the Tank 3 plans (downsizing).
- \$10,000 for the purchase of a replacement water tank for the Timberon Volunteer Fire Department (TVFD).
- The remainder to be used for water infrastructure repairs and parts.

GM Case noted that a portion of the remaining funds could be used as reimbursement for parts already purchased and installed. She explained that TWSD's asset management system would allow Leo to identify those parts, and that corresponding invoices could be pulled to serve as reimbursement documentation. Director Duckett raised questions regarding approval from Steven Deal. GM Case confirmed that approval had been obtained.

Director Duckett moved to approve the allocation of \$39,000 in grant funds as follows: \$10,000 – \$12,000 to Bohannon/Huston for re-engineering the Tank 3 plans (downsizing); \$10,000 for the purchase of a replacement water tank for the TVFD; and the remainder for water infrastructure repairs and parts, contingent upon approval by the State Environmental Department or Steven Deal. Treasurer McCurdy seconded the motion. Chairman Price, Vice Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion carried unanimously.

4. Discuss/Approve/Disapprove a guided tour of the Water Treatment Plant and total water system for the Water Advisory Committee.

Chairman Price agreed to arrange the guided tour and stipulated that the tour would be observational only. Treasurer McCurdy moved to approve the guided tour of the Water Treatment Plant and total water system for the Water Advisory Committee. Director Duckett seconded the motion. Chairman Price, Vice Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion passed unanimously.

5. Discuss/Approve/Disapprove the road grader operator's contract.

Chairman Price reviewed the proposed road grader operator's contract. Key terms of the contract include compensation at an hourly rate, mileage reimbursement if the operator uses his own vehicle, and TWSD providing equipment, fuel, and vehicle maintenance. Standard safety practices will be observed. Discussion followed, including comments and advice from audience members.

Audience member Harding raised a potential conflict with the Union contract, noting that it may require TWSD to offer the position to in-house personnel before engaging an outside contractor.

Director Duckett moved to approve the road grader operator's contract. Treasurer McCurdy seconded the motion. Chairman Price, Vice Chair Flora, Treasurer McCurdy, Director Robb, and Director Duckett all voted in favor. None opposed. The motion passed unanimously.

6. Review and discuss current contracts and agreements TWSD has with outside parties. (Example - DTI, Level 4, County, TDC, etc.).

Director Duckett noted that he had not yet received all current contracts for review, specifically the Level 4 Operator contract and the contract with TDC (Timberon Development Council) covering the pool and parks. Director Duckett further stated that he would like to see a quarterly report from DTI (Discover Timberon, Inc.) regarding the Golf Course property.

Vice Chair Flora agreed to meet with DTI (Discover Timberon, Inc.) to discuss the matter.

No formal action was taken on this agenda item.

7. Discuss the calendar of important TWSD due dates that have been provided by the office.

The Board discussed the calendar of important TWSD due dates as provided by the office. The current fiscal year is nearing its end with few remaining items on the calendar. GM Case is working on a comprehensive calendar for the upcoming fiscal year that will include all important dates and deadlines. Director Duckett requested a summary of items pending for June and July, and reminded the Board that the inventory report and Interim Budget are required to be brought before the Board for approval. GM Case agreed to have both items ready for presentation at the next regular meeting. No formal action was taken on this agenda item.

8. Discuss the current Profit & Loss Report and form a Budget Committee.

As the Profit & Loss Report was presented and discussed under the Treasurer's Report, no additional discussion was needed.

Treasurer McCurdy agreed to Chair the Budget Committee, with Director Duckett serving as Vice Chair. No formal vote was taken on this agenda item.

9. Receive/Discuss a report on pool status and pool inspection.

Chairman Price reported that a formal pool inspection was not feasible at this time due to the process required. The Timberon Development Council (TDC) has begun working toward getting the pool opened for next season and has ideas for fundraising efforts. TDC President Chance Guiles and Clark Clement are in the process of forming a pool committee to advance that effort.

No formal action was taken on this agenda item.

10. Presentation by Bill Eakes: Community Concerns Regarding TWSD's Future Viability and Potential Solutions.

Bill Eakes presented his findings in response to questions raised at the previous month's meetings.

Gross Receipts Tax: Mr. Eakes reported that TWSD would not be able to levy a Gross Receipts Tax, as Timberon is designated a CDP (Census Designated Place).

General Observations: Mr. Eakes expressed concern regarding the history of high board member turnover and poor record keeping by past boards and their impact on the District's current situation.

Staff Recognition: Mr. Eakes praised GM Case for her outstanding work ethic and contributions to the District.

Recommendation: Mr. Eakes suggested that the Board consider engaging a Turnaround Consultant to assist with crisis management and to help address the District's ongoing challenges.

No formal action was taken on this agenda item.

PUBLIC COMMENT

Community member Karen Ruhland expressed her appreciation to GM Case and Operator Shields for their prompt response in replacing the PRV (Pressure Reducing Valve) at her meter, and for their follow-up after the work was completed to ensure everything was functioning properly at her residence.

DIRECTORS REMARKS

Chairman Price reported that two grants have been applied for, including an application to Otero County in the amount of \$47,000. He noted that the Colonias Grant application for the waste disposal area was very well received, with the grant amount increased by the awarding body from the original request of \$120,000 to \$367,000.

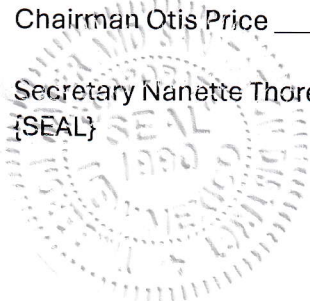
Chairman Price congratulated and expressed his appreciation to GM Case and Compliance Officer Braun for their efforts in preparing and submitting the grant applications.

MOTION TO ADJOURN

Vice Chair Flora moved to adjourn the meeting. Treasurer McCurdy seconded the motion. A vote was called. All voted in favor, none opposed and the meeting was adjourned at 7:52 PM.

Approved June 1 2020
Chairman Otis Price Otis Price
Secretary Nanette Thorell N Thorell

{SEAL}



Timberon Water and Sanitation District

Profit & Loss Budget vs. Actual

July 2025 through June 2026

	Jul '25 - Jun 26	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Operating Income	900,622.64	1,291,400.00	-390,777.36	69.74%
Total Income	900,622.64	1,291,400.00	-390,777.36	69.74%
Gross Profit	900,622.64	1,291,400.00	-390,777.36	69.74%
Expense				
54000 · Maintenance & Repairs	145,362.94	211,000.00	-65,637.06	68.89%
59000 · Debt Service	1,750.00	14,949.00	-13,199.00	11.71%
55000 · Contractual Services	72,150.69	75,000.00	-2,849.31	96.2%
57000 · Operating Costs	238,215.98	371,200.00	-132,984.02	64.18%
56000 · Supplies	39,480.11	70,500.00	-31,019.89	56.0%
66900 · Reconciliation Discrepancies	54.36			
53000 · Travel Costs	11,645.09	4,000.00	7,645.09	291.13%
6560 · Payroll Expenses	530,282.71	691,750.00	-161,467.29	76.66%
Total Expense	1,038,941.88	1,438,399.00	-399,457.12	72.23%
Net Ordinary Income	-138,319.24	-146,999.00	8,679.76	94.1%
Other Income/Expense				
Other Income				
46000 · Miscellaneous Revenues	5,433.57	3,600.00	1,833.57	150.93%
41000 · Taxes-Local Effort	115,234.43	150,000.00	-34,765.57	76.82%
Total Other Income	120,668.00	153,600.00	-32,932.00	78.56%
Net Other Income	120,668.00	153,600.00	-32,932.00	78.56%
Net Income	-17,651.24	6,601.00	-24,252.24	-267.4%



Timberon Water & Sanitation District

Proudly serving the people of Timberon for over 30 years.

Address: 1 Bobwhite Cir., Timberon NM. 88350 Contact: 575-987-2250 or compliance@timberonwsd.com

Conflict of Interest Policy and Disclosure Form

In their capacity as members and staff, the members of the Board of Directors and staff of the Timberon Water and Sanitation District, known hereafter as TWSD, must act at all times in the best interests of TWSD. The purpose of this policy is to help inform the Board and staff about what constitutes a conflict of interest, assist the Board and staff in identifying and disclosing actual and potential conflicts, and help ensure the avoidance of conflicts of interest where necessary. This policy may be enforced against individual board members and/or staff members as described below.

Conflict of Interest Policy

1. Board members and staff members have a fiduciary duty to conduct themselves without conflict to the interest of the organization. In their capacity as Board members and staff members, they must subordinate personal, individual business, third-party, and other interests to the welfare and best interests of the organization.
2. A conflict of interest is a transaction or relationship which presents or may present a conflict between a Board or staff member's obligations to the organization and the Board or staff member's personal, business or other interests.
3. All conflicts of interest are not necessarily prohibited or harmful to the organization. However, full disclosure of all actual and potential conflicts, and a determination by the disinterested Board members – with the interested Board or staff members(s) recused from participating in debates and voting on the matter are required.
4. All actual and potential conflicts of interest shall be disclosed by Board and staff members to the Board of Directors Executive Committee, if formed, and General Manager through the annual disclosure from and/or whenever a conflict arises. The disinterested members of the Board shall make a determination as to whether a conflict exists and what subsequent action is appropriate (if any). The Executive Committee shall inform the Board of such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.

5. On an annual basis, all board and staff members shall be provided with a copy of this policy and required to complete and sign the acknowledgement and disclosure form below. All completed forms shall be provided to and reviewed by the Executive Committee, as well as all other conflict information provided by Board and staff members.

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Acknowledgement and Disclosure Form
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I have read the TWSD Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service as a Board member or staff member. If at any time following the submission of this form I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the Chairperson and General Manager, as representatives of the Executive Committee, in writing.

Disclosure of Actual or Potential Conflicts of Interest:

Signature: _____

Printed Name: _____

Date: _____

Secretary Signature: _____

Printed Name: _____

(SEAL)