

MINUTES OF THE JULY 16, 2019 WORK 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 absent. There being a quorum present, the meeting was called to order by Chairman Richard McMullen at approximately 6:00 PM.

Saluting of the flags was accomplished.

Approval of Agenda: Treasurer Michael Gonzalez moved to approve the agenda as written. Director Tash Robb seconded. There being no discussion, the vote was called. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Tash Robb voted aye. The motion passed.

OLD BUSINESS

General Manager's Report General Manager gave his report.

We had an inspection by the USDA, they were here half the day. They were very pleased and the paperwork was completed and all done correctly. This was a spot check of our water system to see if it complies with the Federal government, Civil Rights laws, including the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and American Disabilities Act of 1990. We received a water loan. The water District participated in the security inspection for our District, this was done on July 10th 2019. The people present was myself and the Administration Assistant Deanne McCall. One item that the USDA wanted was a copy of our sanitary survey. All items have been completed, and is going through the review process. Some of the recommendations that they made were: need to have staff meetings, public notices posted in Spanish, language services available in Spanish, the needs for having receipts for everything and a warranty on the water meters. First thing they did was inspect the new 150,000 gallon tank. They were impressed with the SCADA system, the golf course well and with the remote water meters.

We had the Level 4 Operator here for the filtration system. They finished wrapping everything up with the project. They had a very good walk-through. Only 2-3 valves need to be changed out.

The chlorine was corrected by Preston, and he sent a corrected reading through SCADA. This will be accepted by the State. The UV lights were incorporated into the system by Preston as well and is acceptable by the State.

Additional work was done by TWSD employees, Jessie and Dave; they were a big help and the system is now remote.

The filter integrity reports were added by Preston and everything was satisfactory to State requirements.

Many other tweaks were performed. All that is left is to bring the plant online.

Some of the guidelines continue with the filtration. The security inspection worksheet needs completed. In addition, we need to follow some of the Federal website guidelines. There was not a lot of issues found. Also enclosed is a certification that needs to be completed stating we updated the Emergency Response Plan. The inspector will be back in 6 months.

The filtration system has been onsite since 2008-2009. We started to put it together in 2010. It has taken this long to get inline with the State requirements.

GM asked if there has ever been golf passes? Audience member Neenah Kearns stated that she was told there was golf passes that were seasonal in the 1970-1980s and were around \$1,000.00 a year. Audience member Ardin Schug stated he remembered them having them for \$200.00 - \$300.00 a year and employees were allowed to play for free. GM stated he has had quite a few people asking for golf passes. This needs to be added to the Saturday agenda.

The grader is down right now. The brake and throttle are not working correctly.

The golf course is looking great.

Swimming pool is up and running and looks great.

Questions for the GM:

Vice Chairman Clark Clement asked if the GM had talked to Bohannon Huston Inc? GM stated, no, he can talk to them Monday. Vice Chairman Clement asked if the rest of the money is going back to the State? GM replied, not if we can spend it. Vice Chairman Clement asked what the spring volume is? GM replied, it is much better, it was plugged up, and is now completely unplugged. It was up to 160 gallons per minute on Monday. Vice Chairman Clement asked if the reports from Preston are ready to go? GM replied yes, unless something comes up.

Treasurer Michael Gonzalez asked if one of the membranes is missing, and what would be the price to replace it? The GM replied, yes one is missing and the approximate cost would be \$3,000.00 each. TWSD employee Jessie Duckett stated he can get the shelf life of the membrane. Treasurer Gonzalez asked if the Ray Romas contract will be available for the Saturday meeting? GM replied yes, It will be a month to month contract. Treasurer Gonzalez stated he is 3 times higher than the last one. GM replied that this guy is extremely good and has already solved a lot of issues. Treasurer Gonzalez stated they need a contract so the Board can decide. Treasurer Gonzalez asked if the GM had a quote for the furnace cost. GM stated he would have it for the Saturday meeting. Treasurer Gonzalez asked if they were going to replace the restaurant first and if the office furnace was working? GM replied, yes the restaurant would be replaced first, and the office furnace does not work.

Audience member Ardin Schug stated that in the PDR, they did a great job analyzing the population. We might can use that to get rid of having a Level 4 Operator.

Treasurer's Report. Reconciled bank balances as of June 30, 2019: Checking Account \$16,966.04; Water Standby Savings Account \$88,237.17; Water Restricted Reserve Account \$40,497.83; Facilities

and Services Savings Account \$100,969.97; USDA Debt Service Savings Account \$5,308.40; USDA Short Term Assed Repl Savings Account \$94,027.74; USDA Construction Loan Account \$850.28.

This month we contributed \$1,353.38 to the restricted water reserve account from back water standby fees.

Daniel Wilson with Granite Mountain was present for the meeting, Treasurer Gonzalez read Granite Mountain's suggestions, see attached.

Chairman Richard McMullen stated that the pool and golf course, do not close until after the office has closed. It would be hard to enforce depositing money at the end of each shift. He understands they recommend doing the deposits daily but they need to take the distance into consideration.

Daniel Wilson stated these are just control items. There is no perfect system. You might consider a drop box. Chairman McMullen stated he does not think this would work, it could walk away very easily.

Daniel Wilson suggested they look into a check scanner with the bank. Chairman Richard McMullen asked if there was a safe at the pool? Neenah Kearns, stated no, there is a safe in the pro shop that is not being used. TWSD employee Jessie Duckett asked if Granite Mountain was aware the pool employees are not District employees; does this make a difference? Mr. Wilson stated, this makes it the contractor's problem with keeping the money safe. Treasurer Michael Gonzalez stated, there needs to be a reconciliation done each day on the money. We can take the safe and cash register from the pro shop that is not being used and use it at the pool. Audience member Noreen Gonzalez asked how late does Nan work? GM replied, she works until 5. Mrs. Gonzalez stated First National Bank offers check scanning for \$100.00 a month.

Audience member Ardin Schug, writing off debt, how does this play with the anti-donation clause? Daniel Wilson replied, this is a journal entry that was done in 2013 that was done wrong. It will not cause a problem, it was written off. We are carrying it on the balance sheet which makes it not balance. The right-off is not saying you cant collect it, you can still put a lien or foreclosure on the property.

TWSD employee Jessie Duckett asked if he heard correctly, that Mr. Wilson wants the Board to review all invoices and checks? Mr. Wilson replied yes, it should be in each of the minutes; this will make the budget more stable.

Vice Chairman Clark Clement stated his biggest concern is the budget, which we don't really have. Can we tie this in somehow into our line items, so we are not having to do a BAR each month? Daniel Wilson replied, your right, you don't have a budget. Vice Chairman Clement asked if the GM could have a report each week to show where he stands on each line item? Mr. Wilson replied, QuickBooks can perform this task; weekly might be difficult, it would be better to do monthly. You can start with doing the daily reconciliation. There is decisions that the office staff is making that they shouldn't be making. Such as, what line item to apply money too. Vice Chairman Clement asked if Mr. Wilson could help the ladies in the office get this done. Mr. Wilson replied, yes.

Treasurer Michael Gonzalez asked if Daniel Wilson could elaborate on the billing cycle? Mr. Wilson replied, you do not have a set period of time in the books to compare one period to another to see if there are problems. If you did, you could see what water meters are not working properly. Billing cycles are critical to watching the budget for tracking month to month.

TWSD employee Jessie Duckett asked if we need a separate cash register to control the cash flow? Treasurer Michael Gonzalez stated, there needs to be a teal like a regular cash register to control the money. Mr. Duckett stated we are in a new fiscal year right now, we should not be over budget on anything yet. In QuickBooks, you should be able to go into it at any moment and pull up any budget. Treasurer Gonzalez stated, things are not being entered daily they are being entered in batches.

Audience member Terry Borzoni asked if the office is running a daily report to balance. Treasurer Michael Gonzalez stated that what Daniel Wilson is trying to say is that we need a cash register as a separate back up to balancing. UBMax allows us to bring in all the transactions that are done throughout the day, to get a balance. We need a cash register to balance this with. We need more detail oriented policies. What happens to the deposit slip? Treasurer Gonzalez stated that the current policy states we have to do a deposit every week; we do not have a traditional way of balancing every day.

The GM asked, if you take over the process, what about all the money showing in the red, are we going to see any of these past due funds collected? Daniel Wilson replied, it is up to your collections effort, you are just recording it wrong on the books. The end result will be putting a lien on the property.

Audience member Noreen Gonzalez asked why our current water billing cycle is not consistent? The GM replied, it all depends on what time of the month the meter is being read. Mrs. Gonzalez stated that in any budget that is approved by the Board, we need a GM that abides by the set Budget.

Committee Reports.

Budget Committee: Treasurer Michael Gonzalez stated nothing to report. Next month I want to have some discussions with inventory control. I took a tour of the Maintenance Barn, we have a place to put all the stuff, but we need a bar code scanner, a printer and a small database. When items come in we can scan them than put them away. The next meeting will be August 8th at 1:00 p.m. at the Lodge. There was much discussion regarding attending budget meetings and the operating budget.

Inspection Committee: Nothing to report.

NEW BUSINESS

Approve June 21, 2019 Special Session Meeting Minutes. Chairman Richard McMullen In accordance with the Open Meetings Act, stated the posting was not met within the 72 hour time frame, therefore that meeting and minutes to that meeting are illegal. Treasurer Michael Gonzalez asked if he had filed a complaint with the Attorney General? Chairman McMullen stated he called the Attorney General Office and got their recommendations. Treasurer Gonzalez asked what the recommendations were? Chairman McMullen stated that the meeting was illegal, we did not meet the 72 hour deadline. End of discussion.

There is nothing in the law that states manipulating the start time is okay. Therefore that meeting is illegal and is null and void. Treasurer Michael Gonzalez stated that the policy in the Open Meetings Act states you follow the guidelines. Chairman McMullen stated again, he talked to the Attorney General that this meeting is nullified and illegal. As far as they are concerned, it does not exist. Treasurer Gonzalez called for a point of order. The policy which is the Open Meeting Act, stipulates the policy you have to follow when you want to declare a meeting to be invalid. An invalid action is what you are suggesting. Chairman McMullen stated, yes. Treasurer Gonzalez stated that even as a Board member making this statement it has to be formalized, than the Board is given 15 days to address your concern; if the Board does not agree, than file a compliant either with the Attorney General's office or the local County Prosecutor, than he can act on it. That's the process. Chairman McMullen stated okay, the meeting is not legal; I will follow the correct process and will turn in the correct information. But, the meeting is not valid. Anything approved, discussed, whatever in that meeting is not valid. End of discussion. Treasurer Gonzalez stated that until that is done Mr. Chairman, until you follow the formal process, the actions are valid. Chairman McMullen said no sir, they are not. Treasurer Gonzalez stated you can not just unvalidated a meeting that way. You have to follow the Open Meeting Act; read it. Chairman McMullen replied, I did. Treasurer Gonzalez replied did you read that the Board has 15 days to notify them of whatever the invalid act was. Chairman McMullen stated, they have been notified verbally. Treasurer Gonzalez stated that's not how it works Rick. Chairman McMullen stated, well that's the way its going to be for this meeting. You tried to run an interim around this and it didn't work. Therefore anything in that meeting is void. End of the discussion. We are moving on to the next agenda item.

Treasurer Michael Gonzalez made a motion to approve the June 21, 2019 Special Meeting Minutes. Chairman Richard McMullen said this motion is not going to be accepted. I just invalidated that meeting. Treasurer Gonzalez stated you can not invalidate a meeting. Chairman McMullen stated it is not going to be approved, it is not going to come up for a vote, if you have a problem with that talk to the Attorney General. Treasurer Gonzalez said I have a lot of problems. Chairman McMullen said it is not going to be approved and this is on the record. Treasurer Gonzalez stated you are not the only Board member here, we are a quorum. Chairman McMullen stated I understand that. Treasurer Gonzalez stated he made a motion to approve the June 21, 2019, Special Meeting Minutes. If the Board does not want to give a motion to seconded it, fine, it will die. Director Tash Robb seconded the motion provisionally. Chairman McMullen stated all those in favor of the motion please signify by saying aye. Treasurer Michael Gonzalez voted aye, Director Tosh Robb voted aye, Vice Chairman Clark Clement voted aye. Chairman Richard McMullen voted nay. The motion passes.

Discuss/Approve job posting for Bookkeeping, Accounting, Auditing Clerk. Chairman Richard McMullen asked why this was on the agenda. Treasurer Michael Gonzalez stated TWSD employee Linda Martin put it on the agenda. Chairman McMullen asked why? The Board does not approve postings. Audience Member Terry Borzoni stated that if she is not here to explain herself, you should take it off the agenda. Chairman McMullen stated again the Board is not responsible for posting jobs; period, that is the job of the General Manager. Board Secretary Amy Fierro replied that Linda was told to take the job posting down. Chairman McMullen asked who told who to take the job posting down. Secretary Fierro replied,

Treasurer Gonzalez to Linda to take it down. Chairman McMullen asked Treasurer Gonzalez if he asked her to take the job posting down. Treasurer Gonzalez replied, yes in conjunction with other Board members; yes sir. Chairman McMullen stated it's not the Board's responsibility to remove or post a job position, it is the General Manager's responsibility. Treasurer Gonzalez called for a point of order. A job can not be posted for a person until they have put in their notice to leave. You can not hire a new person for the job, if that person is still in the job. Linda has not yet resigned. Chairman McMullen asked if Linda has put in her paperwork yet? The GM replied no. Chairman McMullen stated that Treasurer Gonzalez's point is valid. In order for the posting to be posted by the GM she has to put in her paperwork.

Discuss/Approve Resolution 2019/2020-002 4th Quarter Financial Report. Item is tabled until Saturday meeting.

Discuss/Approve Resolution 2019/2020-001 Operating Budget. Item is tabled until Saturday meeting.

Discuss/Approve time keeping system. Treasurer Michael Gonzalez stated overtime exceeded the budget by \$32,000.00. In discussions with GM, how timekeeping is managed, often the employee's time is submitted before it is approved. This does not allow the GM to keep track of the employee's time during the time period. A time keeping system will help get a handle on the overtime. Using the paper system does not leave the GM much capability of knowing the time that is already been worked. During the Budget Committee meeting we looked into the possibility of purchasing a time keeping system. The company I have brought to the meeting and that has the best reviews and interfaces with QuickBooks is AMANO. This timekeeper would have much better capabilities and can generate at any time 13 reports. You buy the rights to the machine, and with this unit there is no annual cost. Each unit costs \$550.00. Chairman Richard McMullen asked if this system have battery backup? Treasurer Michael Gonzalez stated it does not, but the data can be held without power for up to 2 years. We would need to install 2-3 units.

TWSD employee Jessie Duckett stated the maintenance barn does not have a generator. He asked if the unit have to be physically carried to the Lodge to get the data? Treasurer Michael Gonzalez replied, no.

Audience member Ardin Schug stated that there is a sign up in the office that says all overtime has to be approved by the manager. How does this solve the problem, they can sign in and go home. Chairman Richard McMullen stated this just makes time keeping more sufficient.

Audience member Paul Hardey asked if this apply to pool employees? Treasurer Michael Gonzalez stated it would be for all employees.

Audience Doreen Gonzalez asked the GM if he currently has a weekly schedule for the employees; is there a policy for overtime? The GM replied, no, I will look into the policy.

Chairman Richard McMullen asked if there was enough in the budget for 3 unit? Treasurer Michael Gonzalez stated he believed so.

Director Tash Robb made a motion to purchase (3) AMANO time keeping system for \$1800.00. Vice Chairman Clark Clement seconded. Nan will be designated to purchase the items. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Tash Robb voted aye. The motion passed.

Discuss personnel issues (Closed Session).

Director Tash Robb made a motion to go into Closed Session to discuss personnel items. Treasurer Michael Gonzalez seconded. There being no discussion. Chairman Richard McMullen voted aye, Vice Chairman Clark Clement voted aye, Treasurer Michael Gonzalez voted aye, Director Tash Robb voted aye. The motion passed.

Director Tash Robb made a motion to return to the Regular Session Meeting from the Closed Session. Treasurer Michael Gonzalez seconded. There being no discussion. Chairman Richard McMullen voted aye, Vice Chairman Clark Clement voted aye, Treasurer Michael Gonzalez voted aye, Director Tash Robb voted aye. The motion passed.

No decisions or motions were made in Closed Session meeting in regard to legal items

Set Agenda for Saturday July 20, 2019 Regular Session Meeting.

- Discuss/Approve Ray Ramos contract.
- Discuss/Approve second checking account.
- Discuss/Approve setting policy for managing a leave of absence of GM.
- Approve/Discuss Stantec invoice.
- Discuss/Approve golf course memberships/passes.
- Discuss/Approve furnace heating quotes.
- Discuss/Approve Resolution 2019/2020-002 4th Quarter Financial Report.
- Discuss/Approve Resolution 2019/2020-001 Operating Budget.
- Discuss/Approve Insurance increase and potential solutions.
- Discuss/Approve grant through the State in thinning TWSD property.
- Discuss/Approve changing the bylaw for the use of conference calling for Board members that are not able to attend.
- Discuss/Approve not having Agenda Items approved during a Work Session Meeting.
- Discuss who is responsible for TWSD cart and golf course maintenance.
- Discuss/Approve FY 2019/2020 Annual Budget for DFA.
- Discuss/Approve Financial Report for 4th quarter, FY2018/2019 for DFA
- Discuss/Approve Financial Report for FY 2018/2019 for USDA.
- Discuss/Approve budget for FY 2019/2020 for USDA.

Audience member BF Adams stated that he wants to put a stop to everyone that is talking bad about Joe Mainello not being able to attend the meetings. He had surgery, he is in recovery and will start attending meetings again.

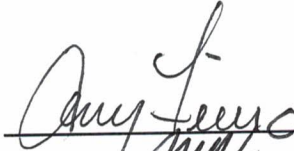
Audience member Terry Borzoni, stated she thinks the Agenda needs to be posed in adequate time. Audience member Ardin Schug stated there is no State requirement to post to website. Chairman Richard McMullen stated he is wrong, if we maintain a website, we must post it.

Directors Remarks: None.

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

Minutes Approved July 20, 2019:

Secretary Amy Fierro



Chairman Richard McMullen

