

**MINUTES OF THE FEBRUARY 20, 2016 REGULAR MEETING
OF THE TWSD BOARD OF DIRECTORS**

Attending the meeting were Chairman Joseph Mainello, Directors Edward “Mike” Bovey, Marilyn Hatfield, Arden Schug, and Richard McMullen. There being a quorum present, the meeting was called to order by Chairman Mainello at approximately 10:00 am.

Saluting of the flags was accomplished.

Approval of Agenda: Director Bovey moved to approve the agenda. Director Hatfield seconded. There being no discussion, Directors Schug, Bovey, Hatfield, and McMullen voted aye. The motion passed.

General Manager’s Report. The General Manager, Ronald Wyatt read his report. The new tank is full and has been sampled; Smithco should be here next week to finish. We need a grant for the dedicated line, but there are none available right now. There are water operator classes coming up. There was a meeting with Engineers, Inc. that was very informative. The GM read a list of roads that have been graded. A back-up generator has been ordered; working on getting a back-up VFD. Working on Asset Management Plan and a Grant for a Conservation Plan. There was some discussion.

Treasurer’s Report. Treasurer Bovey stated that we received a letter from the Local Government Division and a report is due to them by April 30th. Treasurer Bovey read the bank balances.

Committee Reports.

Budget Committee. Director Bovey stated that the committee is working on CUPSS.

Unfinished Business.

Approval of water rate increase and notice to customers. Director Hatfield moved to approve the water rate increase cited in the notice to customers (40%) and Director McMullen seconded. Director Bovey explained why a water rate increase was needed. He also recommended that the disconnect fee decrease to \$30 (from \$45.). Director Schug explained how the previous cash reserves were depleted. Director Hatfield stated that we’ve been lucky and that this is the first step in helping us get reserves. Chairman Mainello explained in more detail to the audience why we needed the increase.

Audience member Charles Marshall asked if it could be a temporary increase. Director Bovey explained that the statute does not allow for that, but that the rate could decrease after a year.

Audience member Mike Lyon stated that rates never go down once they’ve been increased.

There was much discussion including audience members Charles Yeoman, Harvey English, Terry Johnson, and water operator Todd Hacker. Terry Weaver asked how much goes into the reserve. Director Bovey replied that, as the higher rate comes in, we use less in Standby and that’s the reserve.

Audience member Clark Clinton asked about the Standby bills that were not being paid. There was much more discussion about what TWSD has done in the past to collect past due Standby fees. Audience member Frank Coronado asked why the increase wasn't 50% or 30%. Directors Schug and Bovey responded that the board agreed that a 40% increase would meet TWSD's needs.

Director Bovey moved to amend the original motion to include a decrease in a disconnect fee to \$30. Director Hatfield seconded. Chairman Mainello called for a vote. Director Hatfield voted aye. Directors Schug, Bovey, and McMullen voted nay.

Chairman Mainello called for a vote on the original motion to increase the water rate. Directors Bovey, Hatfield, and McMullen voted aye. Director Schug abstained. The motion passed.

New Business.

Approval of the February 16, 2016 Work Session Minutes. Director Hatfield moved to approve the minutes as written and dispense with the reading. Director Schug seconded. Directors Schug, Bovey, Hatfield, and McMullen voted aye and the motion passed.

Discuss meeting with Engineer's, Inc. Director Schug stated that Lisa of Engineer's, Inc. had good financial handouts and it gave them a good idea of what was going on with the projects. He stated that he had some problems with the design. Director Bovey stated that he had an overall good feeling of the job they were doing. The GM stated that they have done some good things for us. There was some discussion. Chairman Mainello said he thought they were quite informative and that it was a well spent two hours.

Director Schug stated that he declined to help the GM (the board previously voted to have Director Schug be a technical advisor to the GM). He stated that he has been excluded from past design reviews and he can't change anything now.

Discuss meeting with Attorney. Chairman Mainello explained some background to the audience (our attorney passed away and we have to find a new one). Director Bovey stated that he, Chairman Mainello, and the GM met with Attorney Daniel James and that he was impressed with the Carrillo Law Firm. The GM stated that the attorney explained that it would take him ten to twenty hours to get up to speed on TWSD's cases. Chairman Mainello explained that the law firm would need a retainer fee of \$7,500. Director McMullen moved to retain Carrillo Law Firm, PC. Director Hatfield seconded. There was some discussion. Chairman Mainello stated that he got a good impression from the law firm. Chairman Mainello called for a vote. Directors Schug, Bovey, Hatfield, and McMullen voted aye and the motion passed.

Directors' remarks.

Director McMullen inquired about the \$100,000.00 grant; how far out do we need up front costs. Director Bovey explained that we normally don't pay up front costs, but that if we do, we get reimbursed quickly.

Director Schug had nothing to add. He stated that there's a lot of confusion.

Director Hatfield said that it was a very productive day with lots of group discussion. She thanked all for coming.

Director Bovey wished that there was this kind of participation at all the meetings and that the rate increase has been discussed for months. He stated that we need to keep the district solvent. He invited all to the budget meetings.

Audience member Terry Johnson said it was great to have a water rate increase.

Chairman Mainello stated that the board has worked hard. He said that the board tried to get the community involved in committees, but it seems like only board members get involved. He thanked the board members for going to Las Cruces. He thanked all for attending.

Director Hatfield moved to adjourn and Director Bovey seconded. Directors Schug, Bovey, Hatfield, and McMullen voted aye and the meeting was adjourned.

Minutes Approved March 15, 2016:

Secretary Linda Martin_____

Chairman Joseph Mainello_____