

MINUTES - REGULAR MEETING
Board of Directors of Timberson Water and Sanitation District
Tuesday July 8, 2025, at 4:00 PM
Timberson Community Center, "Lodge"
1 Bobwhite Circle, Timberson, NM 88350

CALL TO ORDER

The meeting was called to order at 4:00 PM by Chairman David Cruey.

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 David Cruey, Vice Chair Edward Hardesty, Treasurer Jesse "JJ" Duckett, Director Allen Burmeister and Director Derenda Robb.

A quorum was achieved.

Staff Present: General Manager Wendy Case, Ombudsman Otis Price, Board Secretary Nanette Thorell.

APPROVAL OF AGENDA

Vice Chair Hardesty moved to approve the agenda as written. Director Burmeister seconded the motion. A vote was called. All voted in favor, none opposed. The motion passed unanimously.

MANAGER REPORT

GM Case submitted her report: Water production for June was about 4.5 million gallons. 1.4 million gallons were sold. Water loss was about 60%. There are 11 meter install requests waiting for parts which are expected to arrive next week.

TREASURER REPORT

Treasurer Duckett submitted his report on the bank balances:

F&S: \$34,535.47

Operations Checking: \$44,691.05

USDA's : Construction Pass Through \$0.84; Debt Service \$993.46; Short Term \$167,241.36

Water Restricted Reserve: \$10,145.36

Water Standby: \$71,799.85

As we have entered into a new fiscal year, the bank balances at close-out for FY2024/2025 were:

F&S: \$33,598.88

Operations Checking: \$61,171.72

USDA's : Construction Pass Through \$0.84; Debt Service \$993.46; Short Term \$167,241.36

Water Restricted Reserve: \$10,145.36

Water Standby: \$70,487.25

BUDGET COMMITTEE REPORT

There was no report from the budget committee, as they are waiting until after their meeting with the Dept of Finance on the 17th and will have a report after that.

OLD BUSINESS

1. Discuss/Approve minutes of the June 14 Special Meeting.

Vice Chair Hardesty moved to approve the minutes of the June 14 Special Meeting as written. Treasurer Duckett seconded the motion. A vote was called. All voted in favor, none opposed. The motion passed unanimously.

2. Discuss/Approve minutes of the June 17 Special Meeting.

Vice Chair Hardesty moved to approve the minutes of the June 17 Special Meeting as written. Treasurer Duckett seconded the motion. A vote was called. All voted in favor, none opposed. The motion passed unanimously.

3. Discuss/Approve minutes of the June 26 Special Meeting.

Vice Chair Hardesty moved to approve the minutes of the June 26 Special Meeting as written. Director Burmeister seconded the motion. A vote was called. All voted in favor, none opposed. The motion passed unanimously.

4. Discuss/Adopt Resolution No. 2024/2025-004 Property Tax Assessment Mill Tax Levy for FY 2025/2026

Discussion included a suggestion by Treasurer Duckett to modify the resolution changing TWSD's mill levy to 10%. Vice Chair Hardesty moved to table this agenda item until the next regular meeting. Director Robb seconded the motion. A vote was called. All voted in favor, none opposed. The motion to table this agenda item passed unanimously.

5. Discuss/Adopt Resolution No. 2025/2026-001 Facilities & Services Charge.

Treasurer Duckett brought to the Board's attention Resolution No. 2019/2020-012, which had eliminated the annual review requirement originally established in Resolution No. 2011/2012-005.

Vice Chair Hardesty moved to table this agenda item until the next regular meeting to allow time for distributing hard copies of the relevant resolutions and corresponding minutes for Board review.

Treasurer Duckett seconded the motion.

A vote was called. All members voted in favor; none opposed. The motion to table this agenda item passed unanimously.

NEW BUSINESS

1. 2024/25 financial review. "Where did the money go".

Chairman Cruey reminded the audience that public questions would be taken after the Board's presentation to ensure information could be shared in an orderly manner.

He then distributed to the Board and audience a set of pie charts, compiled by General Manager Case, illustrating the distribution of District funds. These charts outlined expenditures to creditors, vendors, rollover debt from the previous fiscal year, legal fees, payroll, and other accounts payable. Chairman Cruey reviewed each chart in detail, providing a breakdown of the costs incurred by the District.

Vice Chair Hardesty presented a stack of invoices and read aloud a demand letter received from the Rodey Law Firm, dated August 28, 2024, for unpaid legal fees totaling \$126,645.62. Chairman Cruey stated that, due to Vice Chair Hardesty's efforts in negotiating a payment plan, the amount has been paid in full and the District no longer owes any balance to Rodey Law Firm.

Additional legal expenses from the District's new counsel, Truitt Law Firm, totaled \$18,926, with approximately \$10,000 attributed to responding to complaints filed by Mark Harding.

Audience member Mark Harding requested to speak on this matter and explained that the initial complaint stemmed from what he believed to be a \$100 overcharge on his water bill. He stated that he had contacted the billing clerk and then the General Manager at that time, proceeding through an informal complaint process before the matter escalated to a formal complaint. The discussion became contentious and was ended when it was determined to be disruptive and unproductive.

Chairman Cruey resumed the financial presentation, noting additional legal expenses from the Truitt Law Firm, including drafting a lease for the District's tenant (DTI / High Country Lounge), which was completed at a very reasonable cost. He also briefly addressed insurance expenses and pool-related costs. He concluded by stating that the presentation was intended to promote transparency and to give the community a clearer picture of how closely the District manages its finances.

General Manager Case provided a brief update on the District's grant funding efforts. The District is exploring the possibility of contracting with a grant writer and has been working with the Department of Finance and Administration (DFA) to meet prerequisites for funding opportunities. Although the District has not yet completed its audit, an extension has been requested. The District now has a Certified Procurement Officer (CPO), as required, and has implemented a controlled inventory system - both steps necessary for grant eligibility.

Additional discussion on audit-related matters followed but was curtailed, as it was not listed as an agenda item and the conversation was going long.

2. Water plant and water plant operations moving forward.

Chairman Cruey addressed a public misconception regarding the departure of previous Level 4 water operators. He clarified that three of the former operators had resigned, and only one had been terminated. He added that a surprise inspection of the water plant occurred the day after the last termination, and during that inspection, Brittney of New Mexico Rural Water Association discovered that the condition of the facility was found to be severely lacking. Chairman Cruey reported that Brittney indicated she could have cited the District for four or five violations immediately. Additionally, all compliance and sampling records that were supposed to be stored at the plant are missing. The District is currently working to recover these records by requesting hard copies from the lab in Alamogordo, at a cost of \$50 per hour in research fees.

Chairman Cruey further reported that the newly hired Level 4 operator is actively working to bring the plant back into compliance. During a visit the prior Sunday, the operator discovered that valves at the surface water plant had been left open, potentially compromising the integrity of the membranes. The replacement cost for these membranes is estimated at \$14,000.

A question was raised about how water testing is being conducted without a certified Level 2 operator. Chairman Cruey responded that the District has received authorization from Tim Willy at NMED (New Mexico Environment Dept.) to allow a Level 1 Operator to work under the direct supervision of the certified Level 4 Operator. He added that current staff members are in the process of recertification: one operator is seeking Level 1 recertification, and the current certified Level 1 Operator is in testing for both Level 2 and Level 3. Both operators have been attending weekly classes and are accumulating the necessary credits. Travis, in particular, has earned sufficient credits to qualify for Levels 2 and 3.

Chairman Cruey concluded by addressing the reported violations, stating that Alex - the new Level 4 Operator - has confirmed that all violations were "mechanical in nature" and none of the violations posed a health risk to the public at all.

3. Water system violations we did not know about, and how we are moving forward.

Chairman Cruey reported that the District received six violations in the month of June. However, these were not discovered until later because emails from the State were not reaching the General Manager. It was determined that the issue stemmed from the removal of the District's access link to the State compliance portal, which prevented notifications from being received.

4. Working with the New Mexico State Rural Water Association on a proactive way into the future.

Chairman Cruey reported that, with the assistance of New Mexico Rural Water, the District is developing a comprehensive plan to return to full compliance. Representatives from NM Rural Water have met with the District's Level 4 operator as well as with local operators. They are helping to create a proactive strategy to address current deficiencies and ensure regulatory compliance.

Following last week's surprise inspection, the water plant is undergoing a thorough cleaning in preparation for the upcoming Sanitary Survey.

5. Address operator issues, why the tank levels were low and why a non-licensed person was allowed to operate the plant.

This agenda item was submitted by local resident Tiffany Harter, who was not present at the meeting. An unidentified audience member spoke on her behalf, raising concerns about the qualifications of a Level 1 operator managing the water plant and implying that this may have contributed to the recent failure of the system communications and the water tanks going down.

Operator JoeBob responded, stating that the assumption was incorrect. The previous Level 4 operator had left without notifying staff of his departure. TWSD employee Robert further clarified that he was there and all they did was put numbers in.

An unidentified audience member stated that she was in possession of a video taken from inside the water plant, which she claimed had been submitted to the appropriate authorities.

As the purpose and scope of the agenda item were unclear, the Board chose to proceed to the next item on the agenda without further discussion.

6. Discuss/Approve 4 Standby property liens; total amount \$1,127.40.

There was no discussion. Director Burmeister moved to approve the 4 Standby property liens. Vice Chair Hardesty seconded the motion. A vote was called. All voted in favor, none opposed. The motion passed unanimously. Following the vote, Director Robb inquired about the purpose of the liens. Secretary Thorell explained that the liens were for delinquent Standby fees, each four years overdue.

PUBLIC QUESTION AND ANSWER SESSION

Audience member Jeffery raised concerns about unauthorized items being dumped in the community dumpsters, leaving inadequate space for regular household waste. Ombudsman Price stated that he had researched alternative waste disposal services and confirmed that the District's current provider, Southwest Disposal, remains the most cost-effective option. Mr. Merrick volunteered to assist with hauling large items, and Chairman Cruey offered to donate the use of a long gooseneck trailer for that purpose, provided someone could haul it down the mountain.

Mr. Merrick also revisited the topic of road conditions. As this remains an ongoing issue with no new developments, no resolution was reached.

Audience member Arden noted that the County provides the District with \$15,000 per quarter to help offset the cost of non-residential use of the dumpsters.

Audience member Don Wiklund gave an impassioned statement urging unity within the community and expressing appreciation for the Board's service. He remarked that he has observed notable progress under the current Board.

Audience member Annie had a prepared written statement/question for the Board, *"Mr. Cruey and Mr. Hardesty, since being appointed to the TWSD Board of Directors, have you sought or received, by a vote of the Board of Directors in an open meeting, authorization to manage the operations of TWSD?"* This led to a discussion highlighting weekly staff safety meetings and employee satisfaction with the current administration.

Audience member Tricia requested to comment on the earlier remarks by Mr. Wiklund about division within the community, stating that she is very much in support of this community and does a lot around town to try and help this community out. This sparked a series of loud arguments and accusations regarding transparency and "secrecy." As the discussion became unproductive again, Chairman Cruey called for a motion to adjourn.

MOTION TO ADJOURN

Vice Chair Hardesty moved to adjourn the meeting. Director Burmeister seconded the motion. A vote was called. All voted in favor, none opposed, and the meeting adjourned at 5:16 PM

Approved July 28, 2025

Chairman David Cruey _____

Secretary Nanette Thorell NThorell

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