

REGULAR MEETING MINUTES
Board of Directors of Timberon Water and Sanitation District
April 18, 2022, 6 P.M.
1 Bobwhite Circle, Timberon, NM 88350
Timberon Community Center (Lodge)

Invocation and 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 of the Board

Roll call of the board was conducted by Chairman Michael Gonzalez. Attending the meeting were Chairman Michael Gonzalez, Treasurer Terri Borzoni, Director Mark Harding, Director Tod Barker, filling in as Secretary was Noreen Gonzalez. Absent from the meeting were Vice Chairman Jules Neal and Secretary Sharon Vails. There being a quorum of the board, the meeting began.

Approval of Agenda

Treasurer Borzoni made a motion to approve the agenda. Director Harding seconded the motion. Chairman Gonzalez called for a vote. Treasurer Borzoni, Director Barker, Director Harding and Chairman Gonzalez all voted aye. The motion is approved.

General Manager's Report – Jesse Duckett gave his report.

In March we had an 80% water loss. Our filtration plant is doing good, producing 35% of our water. The Spring seems to be doing the same, but we are only collecting about 160gpm – we will be cleaning out the collection points very soon. There are 13 water meters waiting to be installed, with only 2 installs being done in the last weeks. The system currently has 544 active meters, out of a total of 898 services. Over the last month, we have had quite a few leaks in the system, mostly in the Deer Park – Hunter – Rocky Trail areas... We are also working on the CCR and O&M manual right now.

Our grants from the State are moving along, we haven't heard much recently... except on the Grader grant – we are getting an invoice/quote from John Deere (770G) and sending it to our Fiscal Agent to be approved by DFA. The office close to being caught up ... we are getting there, working with Granite Mountain on the Quarterly reports – issues with the accounting system – and gathering information for the Finance Committee to use in the budget. We do have the reconciled balances current for the Treasurer to read.

JTL Auctions was here to look things over on Saturday the 9th in preparation for a possible auction of old equipment, etc.... They will get back to us on what they can do. The pool is being worked on to get it ready for the summer – it is almost filled. There are currently 2 applications for lifeguards, and we are trying to get more. We have started watering and will soon be mowing the golf course.

We have not had much luck getting pricing from local suppliers on HDPE yet, but from what we have seen – 4" HDPE looks comparable to 3" PVC prices. There should be more information soon. BHI has the design for the reservoir 60% complete, and the WAC will probably have a design review with them in the near future to keep things on track.

And the Easter egg hunt went well at the Lodge.

Treasurer's Report

Treasurer Borzoni read the bank balances. Checking \$117,470.71; Standby \$177,252.53; Water Asset Management Restricted Reserve \$88,187.35; F&S \$247,965.36; Debt Reserve \$7,924.80; Short Term \$166,428.26; USDA Loan \$853.76. Approximate total revenue \$806,000.00.

Treasurer Borzoni commented that office was getting caught up and the February and March bank reconciliation are current. General Manager Jesse Duckett said there hasn't been a transfer into the Water Asset Management Restricted Reserve in the past two months. They are looking for the formula to complete the transfers. Chairman Gonzalez asked if we are still looking into getting a credit card for the district? First National Bank requires company credit cards have to be issued the company's name and an individual name on the card. Treasurer Borzoni is going to check with another bank to see if they require an individual name on the card. She has also checked into a scanner for remote deposit. The only drawback is that you can only deposit \$2,500.00 a day. She is also looking into why the bank account names do not match what the district has named the account. The two should match each other.

Committee Reports:

Finance Committee

The Finance Committee met April 14, 2022 at 1:00 pm. The committee is working on producing an interim budget. The committee discussed that most of the line items on the budget may need to be increased by 20% due to inflation. Other line items such as fuel/propane may need to be increased by 50%. The districts renewal the insurance premium for April 2022-April 2023 was discussed. The renewal fee with terrorism insurance will cost approximately \$95,779.00. Without terrorism insurance the cost will be \$95,391.00. A difference of \$388.00 more with the terrorism insurance. The district has carried terrorism insurance in the past. The budgeted amount for the insurance premium was \$90,000.00. A total of \$7,418.00 has already been applied on insurance premiums. This will leave \$82,582.00 to apply to the current premium. Leaving a shortfall of \$13,197.00. Last years policy cost the district \$85,830.00. This year's policy has an increase of \$9,949.00 over the previous year. The increase is partially due to inflation and the fires. The committee is also looking into setting aside possible revenue for line replacement from standby fees. The committee is concerned about the multiple trips that are made to town within one week. We recommend better scheduling, ordering more inventory online to be delivered. When trips to town have to be made, there should only be one scheduled per week. The smaller truck should also be used when trips to town have to be made. Arden Schug is calculating the cost to the district in producing and the distribution water. He is waiting on a report show all water expenses by class. This will include every expense it takes to run the water system. Chairman Gonzalez stated that inflation is going to affect everything from here on out. The district will have some difficult decisions to make with the 2022/2023 budget. The district has been applying for grants to help with projects. It was pointed out that when applying for USDA grants to include only the water revenue. The district will be looking into possibly applying for a grant from the DOT. This would be used to work on the roads.

Water Advisory Committee

The committee met April 13, 2022 at 1:00 pm. Tony McWilliams gave a presentation on HDPE piping and how the connections work. A representative that deals with HDPE would like to come to Timberon to see what we are planning with our water system. Arden thanked Tony for his presentation. Arden said that Twin Forks is currently using this piping in their water system. He will look into taking a trip to view their water system. The inground reservoir plans are 60% completed. Clark Clements and the general manager have looked at the plans and have some questions about the project. A design review is needed on the golf course project. Another welder may be needed later, but the current welder will be used for now. The committee is looking into the area where the first line replace will be done.

Bylaws, Office Policies & Procedures and Employee Handbook Committee

The bylaws have been revised and were presented for reading in the last two board meetings.

Old Business

1. Approve the amended/revised Timberon Water and Sanitation District Bylaws.

The revised bylaws were previously presented for reading in the last two meetings. Director Harding made a motion to approve the revised Bylaws as written. Director Barker seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

2. Discuss/Approve the findings of new equipment to be used for communications for the public/board if a quorum of the board is not present.

It has been suggested that the board could possibly use zoom for meetings. A laptop in conjunction with a webcam is all that would be needed for this. The district currently has a laptop that can be used for this purpose. This would replace the current phone conference system. The projector would be used for presentation. Director Harding made a motion to approve the purchase NEC Model NP-Ve251X projector along with the screen, microphone system and mounting brackets. Director Barker seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

3. Discuss/Approve hiring of an attorney for counseling purposes for the upcoming Communication Workers of America union contract negotiations.

Treasurer Borzoni said Samantha M. Hults came highly recommended. She was recommended by the current law firm the district uses. The hourly charge to the district would be \$300.00 an hour. Chairman Gonzalez stated that New Mexico does not have many attorneys that deal with negotiations. Director Harding made a motion to approve the hiring of Samantha M. Hults of the Rodey Law Firm to assist with the upcoming Communication Workers of America union contract. Treasurer Borzoni seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

Chairman Gonzalez called for the 10-minute recess. Treasurer Borzoni made a motion for a 10-minute recess. Director Harding seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

New Business

1. Approve minutes from April 04, 2022, Regular Meeting.

Director Barker made a motion to approve the April 04, 2022 meeting minutes. Director Harding seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

2. Discuss/Approve Insurance policy and premium for the district for April 2022/2023.

The district was unable to receive quotes from other insurance brokers. Several companies were contacted to receive a quote. In order to receive quotes, they require that you use them as your broker. They required a copy of the current insurance policies plus an extensive questionnaire filled out. They needed a copy the districts loss runs. In the end, after a quote won't be given unless you used their company as your broker. Cloudcroft was also contacted to see who they used for their insurance. They use a company for municipalities. We are a Water and Sanitation District and do not qualify for this type of insurance. Director Barker stated that it might be a good idea to look into becoming a municipality in the future. Arden Schug said this was looked into in the past and the district didn't have enough population density at the time. An audience member volunteered to look into the matter. Director Harding made a motion to approve the insurance policy PEP0005295-01 with Hudson Insurance in the amount of \$95,779.00 with the terrorism coverage. Director Barker seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

3. Review March monthly bills for the district.

The monthly bills for March were viewed by the board. Additional information is still need in the memo. Director Harding stated when a repair or purchase is made for a district vehicle, the vehicle should be identified along with the parts(s). Chairman Gonzalez had a question concerning the rate for mileage reimbursement and the R&M Water Distribution System line item. Currently the district has spent \$91,176.36 with only \$45,000.00 being budgeted. The general manager will look into this. The office is looking into possible ways to save on postage. All Fidelity Bonds for board members have been issued and registered with the 12th District Court.

4. Discuss/Approve two board members to negotiate the upcoming Communications Workers of America union contract to be present to the board for approval.

An alternate board member will need to be approved at the next meeting in case one of the two approved can't make a meeting. Director Barker clarified that due to his current jobs, he would not be able to take this on at this time. Director Harding made a motion to approve Chairman Gonzalez and himself to negotiate the upcoming CWA union contract. Treasurer Borzoni seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved.

5. Discuss/Approve Resolution 2022-15, third quarter report(s) to the DFA.

This item was moved to agenda for the special meeting on April 26, 2022.

6. Discuss/Approve Resolution 2022-16, third quarter report(s) to the USDA.

This item was moved to the agenda for the special meeting on April 26, 2022.

7. Discuss/Approve allowing Neighborhood Watch placing signs on TWSD property

Chairman Gonzalez thanked Ms. Waters for the presentation she gave on communications equipment. Ms. Waters said that the Timberon Neighborhood Watch joined the National Neighborhood Watch program. They have two signs that they would like to hang. Neighborhood Watch can observe and report any findings in the community. Director Harding said that the green street signs represent TWSD maintained roads and the blue represent the county maintained roads. Treasurer Borzoni stated that she loves Neighborhood Watch.

Treasurer Borzoni made a motion to approve the posting of Neighborhood Watch signs on TWSD property or easements. Director Harding seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, and Chairman Gonzalez all voted aye. Director Barker voted no. The motion is approved.

8. Discuss/Approve establishing a "Bounty" program for reporting water leaks.

The consensus was that this is everyone's responsibility to report leaks. Director Tod Barker suggested that anyone reporting a leak should be mentioned and thanked in the monthly meetings or webpage.

Directors remarks

Treasurer Borzoni thanked everyone for attending the meeting. I love this job.

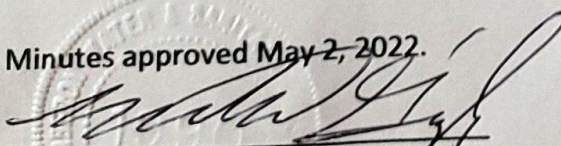
Director Harding thanked everyone for coming to the meeting.

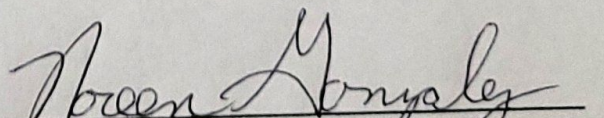
Director Barker thanked Arden Schug and Noreen Gonzalez for their help.

Chairman Gonzalez stated that the district is facing some serious financial obligations with next years budget. We will have to watch spending closely. Thank you for coming. We will continue to work on water issues. It is my desire to leave the water system in better shape than it is in currently.

Director Harding made a motion to adjourn the meeting. Director Barker seconded the motion. Chairman Gonzalez called for a roll call vote. Treasurer Borzoni, Director Harding, Director Barker and Chairman Gonzalez all voted aye. The motion is approved. The meeting was adjourned at 9:05.

Minutes approved May 2, 2022.


Chairman Michael Gonzalez


Attested by acting Secretary Noreen Gonzalez