

RESOLUTION 2011/2012-005

FACILITIES & SERVICES CHARGE

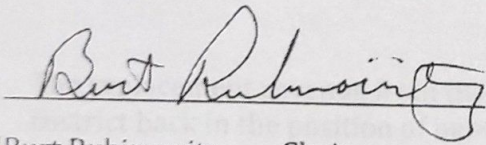
WHEREAS the Timberon Water and Sanitation District provides or makes available services and facilities for the benefit of all property owners or residents of the District, and

WHEREAS the District's revenues are insufficient to provide the services, operate the facilities, and to properly maintain and repair the infrastructure of the District, and

WHEREAS the Water and Sanitation District Act 73-21-16 GENERAL POWERS paragraph L. authorizes the Board of Directors "to fix and from time to time to increase or decrease water and sewer rates, tolls or charges for services or facilities furnished or made available by the district, including, without limiting the generality of the foregoing, standby charges for both water and sewers, and to pledge that revenue for the payment of any indebtedness of the district."

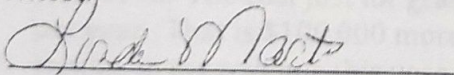
THEREFORE, it is hereby resolved that the Timberon Water and Sanitation District Board of Directors does hereby establish an annual charge for Facilities and Services applicable to every property within the District. The revenues derived therefrom may be used for any legitimate purpose of the District. The amount to be billed shall be set by the Board each year during its July monthly meeting. Bills shall be mailed during the month of August and are due the following month no later than September 30th. The initial charge shall be set at \$30.00 per year.

Approved and Adopted this 16th Day of June, 2012



Burt Rubinstein Chairman

Attest:



Linda Martin Secretary

Addendum 1

Dear Property Owner,

Your property is located within the Timberon Water and Sanitation District which acquired and operates the water utility and other public facilities within Timberon and provides, or makes available, services within the community.

In 2006 a Court decision applied the Community Services District Act 10 mill tax limit to Water and Sanitation Districts reducing Timberon's income from property taxes from \$364,000 per year to \$134,000. That money was used to maintain the non-water facilities and provide the services to the District's residents and property owners. Under current law, taxes cannot be raised to replace the lost funds.

With that in mind, on June 16th 2012 the Board of Directors adopted Resolution 2011/2012-005 establishing a Facilities and Services Charge to replace the lost revenue.

In addition to user fees and charges, General fund revenue from property taxes and the Facilities and Services Charge are used to support the following:

FACILITIES;	SERVICES;
Community Center	Road Grading and Maintenance 184 miles
Golf course, Pro shop & Recreation area	Snow removal
Untreated Water Delivery System	Pool Operations
Swimming Pool	Building Maintenance
Slash Pits	Water for Fire Suppression
Fishing Lakes	Trash Compaction and Hauling
Fire Drops	Golf Course Maintenance
Maintenance Shop	
Cemetery	
Solid Waste Collection Site	

The replacement revenue from the Facilities and Maintenance Charge will put the District back in the position of being able to rehabilitate the facilities and infrastructure over time.

For instance, the cost of maintaining roads like the ones in Timberon is \$1,300 per mile per year plus the cost of fill and rock according to the Otero County Public Works Department. The County maintains only 16 of the 200 miles of roads in Timberon. The cost just for grading the remaining 184 miles of roads is \$239,200 per year. That is \$100,000 more than the \$139,000 amount the District expects to receive in tax revenue this year.

In addition to roads, the buildings, lakes, Golf Course and recreation area, all have deteriorated from the lack of sufficient revenue to maintain them properly.

The District supplies drinking water through a system that is about 45 years old and just like the rest of the infrastructure of the District the cost of maintaining it is rising. In 2010 the water utility came under the jurisdiction of the Public Regulatory Commission. The District is filing for permanent rates in two steps with the Commission. Once the process of filing is complete in the next fourteen months or so the District will have sufficient income from the water rates and charges to pay all of the costs associated with providing drinking water. The water enterprise is separate from other services and facilities of the District and revenue from the water billings may only be used for the water system.

One of the public facilities of the community that has received general fund monies is the Swimming pool. A group of community volunteers obtained funding to renovate the swimming pool. It had been shut down for two years because the District did not have the money available to repair or operate it. The pool is now in its second year of operation since the renovation. 100% of the cost of operating the pool is coming from donations.

While this community effort has allowed the pool to operate with donations and fees worth about \$28,000 to the District, failure of any major component of the Swimming facility would necessitate shutting it down. The District simply does not have the money to make major repairs.

Roads maintained by the District provide access to the property and also allow emergency vehicles to reach residents in order to provide services that protect their health, welfare, safety and security. Dozens of fire drops provide treated water for fire suppression and helicopters have used water from the lakes on the golf course to put out fires as well. Water from one of the District's wells is used to fill the storage tanks next to the fire station.

These and other facilities and services provided or made available by the District have a positive impact on the value of every piece of property in Timberon. Every property owner who bought land or a home in Timberon has the expectation that the facilities would remain in place and that the services provided would continue to be made available. The cost of the services and facilities must be borne by all of the property owners who benefit from them.

Timberon Water and Sanitation District

P.O. Box 40

Timberon, NM 88350

(575) 987-2250

Fax: (575) 987-2238

June 18, 2012

MINUTES OF THE JUNE 16, 2012 MEETING
OF THE TWSB BOARD OF DIRECTORS

Attending in person were Chairman Burt Rubinowitz, Directors Arden Schug, and Edward "Mike" Bovey. Directors Charlie Ross and Joe Mainello were absent. There being a quorum present, the meeting was called to order by Chairman Rubinowitz at 10:00 am.

Pledge of Allegiance and Salute to New Mexico Flag.

Approval of Agenda: Director Bovey moved to put committee reports under old business and add PRC committee. Director Bovey moved to approve agenda as amended and Director Schug seconded. After discussion concerning approval of previous minutes and committees, Chairman Rubinowitz called for a vote. Directors Rubinowitz, Schug, and Bovey voted aye.

Director Charlie Ross arrived.

Adoption of the minutes of May 19, 2012 meeting. Since this item was not on the agenda, it was moved to the next meeting. ***Agenda item for next meeting.**

Adoption of the minutes of June 12, 2012 work session. Since the item was not on the agenda, it was moved to the next meeting. ***Agenda item for next meeting.**

General Manager's Report (copy included with these minutes):

General Manager Ron Wyatt forgot to include status of the blues festival. The blues festival is still going to occur and he is working with Rick Merrick on the details.

Chairman Rubinowitz stated that the audience would be allowed to discuss topics.

B.F. Adams had questions about Item 13 in the General Manager's report. The question concerned an RFP for tank. General Manager Ron Wyatt discussed this item in more detail.

Committee Reports.

Budget Committee. Director Schug stated that draft budget topic is under new business. For the record, he wanted to state that this is the best budget he's ever seen. The budget is based on 24 hours per week per employee and that the budget will be updated quarterly.

PRC Committee. Director Bovey stated that the advice notice was filed June 4, 2012 and that the new rates will become effective July 4, 2012. The emergency rates expired on June 13th. The extension of time has not been acted on yet, but the PRC is meeting on Tuesday, June 19th and it will be discussed/approved retroactive to June 13th. It has a new case number of #12-00193-UT. We will

continue to use the emergency rates for the beginning of July billing. Director Bovey stated that no other water district is under the PRC and that the PRC doesn't really know what to do with us. Director Schug stated that anyone can listen to the PRC meetings on line. There was much discussion about how we came to be under the PRC including that it was Judge Reynolds who wanted us under the PRC and Dennis Karnes , previous receiver, who is the one who put us under the PRC. Chairman Rubinowitz stated that once you're in the PRC, you can't get out. On a positive note, under PRC, there must be a 10% protect to have a hearing, whereas, before, it was just one protest.

Director Schug stated that he would like to see the water rules committee to start meeting again. There has been discussion of and voting on policy changes, but they have never been enacted into the rules. Director Bovey stated that we can't change the rules without PRC approval. Chairman Rubinowitz stated that if the changes don't affect the rates, approval wouldn't be needed. Director Bovey stated that we would probably just have to inform them. Chairman Rubinowitz stated that there are not any current water rules. Director Schug directed the General Manager to look into this. ***Action Item for General Manager. *Agenda item for next meeting.**

New Business.

Past Action Items to be placed on calendar. This was passed in last meeting. The General Manager will keep track of action items.

Draft to DFA for Budget. Director Schug gave a briefing about status. He started with last year's actuals for a starting point for the new budget. He discussed the outstanding debts that are still in negotiation. He stated that we are adding Accounting Class #299 for grants in Quickbooks and that there will be new numbers for the Pool and Lakes. Director Schug has a resolution he wants passed concerning draft budget to DFA. Director Schug made a motion to pass resolution, Director Ross seconded. There was discussion concerning forwarding the draft budget to DFA and the current Mill levy. Director Schug read the resolution. Chairman Rubinowitz called for a vote. Directors Schug, Ross, and Bovey voted aye and it passed unanimously. ***Action item for Director Schug.**

Mill Levy. Director Schug states that we need to send our request for 10 Mill levy to county for approval. Director Bovey made a motion to request 10 Mill levy, Director Schug seconded. That was discussion concerning the fact that we can only request 10 Mill levy. Chairman Rubinowitz called for a vote. Directors Bovey, Schug, and Ross voted aye and it passed unanimously. ***Action item for General Manager.**

Update on Audits. Director Schug stated that he and Marilyn Hatfield traveled to Las Cruces to meet with Debbie Gray of Kriegel/Gray/Shaw auditing firm who are currently working on out FY09 audit. They finally got the grants sorted out. An exit interview is scheduled to June 28, 2012. The meeting will be at the Timberon Lodge/District offices at 1:30 p.m. Director Schug stated that they also met with the FY12 auditor, the contract was signed, and we are awaiting approval from the state auditor. Contracts for FY10 and FY11 need to go to Kriegel/Gray/Shaw for signature and then forwarded to the state auditor for approval. Director Schug made a motion to contract Kriegel/Gray/Shaw for FY10 and FY11 audits.

Director Bovey seconded. Chairman called for a vote. Directors Schug, Bovey, and Ross voted aye and it passed unanimously. ***Action item for General Manager.**

Resolution for money transfers. Director Schug read resolution #7 which allocates 30% (from where?) to be transferred to water fund and 20% from general fund to golf course funds. Director Schrug moved to approve resolution and Director Bovey seconded. Chairman Rubinowitz called for a vote. Directors Schug, Bovey, and Ross voted aye and it passed unanimously.

Main Street Cleanup. The General Manager stated that some people will be filing complaints with the sheriff concerning some properties that have junk cars, etcetera on the lots. Director Schug stated that if something doesn't happen, the board needs to take action. Director Bovey moved that if no complaint is made within two weeks, the General Manager will submit a complaint to sheriff. Director Schug seconded. Director Bovey moved to amend the motion to change complaint to "within one mile of the lodge" (district office) instead of "within main street". Director Schug seconded. There was much discussion about who has the authority to complain and who has the authority to enforce regulations. Directors Bovey, Schug, and Ross voted aye. Chairman Rubinowitz abstained. The motion passed. ***Action item for General Manager.**

State Engineer (New Collection Points). General Manager's Action Item #5 as of June 15, 2012. (see attached). General Manager stated that this is an ongoing item. ***Action items for General Manager.**

Cattle Problem on Golf Course. Director Schug stated that Timberon is in a free range area, but that twenty-five people can sign a petition to go to the county. Someone needs to do something. Director Schug motioned to start a petition to have livestock removed for Subdivision of Timberon. Director Bovey seconded. There was much discussion about compensation for damage to the Golf Course. Director Bovey stated that maybe we should just list Golf Course and not the entire subdivision. Chairman Rubinowitz will consult with the attorney. General Manager will talk to sheriff and county about this problem and also the problem within one mile of the lodge (district offices). Director Bovey offered to draft a petition. Director Bovey motioned to postpone this item; Director Ross seconded. Chairman Rubinowitz called for a vote. Chairman Rubinowitz, Directors Bovey, and Ross voted aye. Director Schug voted against. The motion passed. ***Action item for Chairman Rubinowitz, Director Bovey, and General Manager.**

Golf Cart Contract (Rental Fees). General Manager's Action Item #2 as of June 15, 2012 (attached). The General Manager stated that he has not yet been able to make contact with lease person, but has left several messages. Director Schug explained contract. Ongoing ***Action item for General Manager.**

Past Due Debts. This was part of the budget.

Director Schug took position of temporary Chairman while Director Rubinowitz discussed the next item.

Resolution for Infrastructure Maintenance Rate. Director Rubinowitz moved to adopt a resolution on the Infrastructure Maintenance Rate. Director Bovey seconded. Director Rubinowitz read the motion. This charge would go to all property owners in Timberon. Much discussion followed. Director Bovey

clarified that this money would go into general funds. Director Rubinowitz stated that the name of the charge should be different and needed to amend the resolution. Director Bovey moved for a recess while Director Rubinowitz changed wording; Director Rubinowitz seconded. Directors Rubinowitz, Bovey, Schug, and Ross voted aye. Motion to recess passed unanimously.

Meeting reconvened.

Director Rubinowitz amended the resolution to state that the amount of the rate would be set each year at the regular July monthly meeting. The bills would be mailed in August and due in September. The Initial charge shall be \$30.00 per year. Director Rubinowitz moved to approve resolution; Director Bovey seconded. Directors Rubinowitz, Bovey, Schug, and Ross all voted aye and the amendment was passed unanimously. Directors Rubinowitz, Bovey, Schug, and Ross all voted aye to pass the original resolution as amended.

Director Schug returned Chairman position to Director Rubinowitz.

Back to Item 10: **Past Due Debts.** Director Bovey moved to put out an RFT for a collection agency to collect past due debts. Director Schug seconded. The General Manager will solicit and RFP or bid for a collection agency to collect past due stand-by and water fees. Chairman Rubinowitz, Directors Schug, Bovey, and Ross all voted aye and the motion passed unanimously. ***Action item for General Manager.**

Line Extension Paybacks. Director Schug stated that the paybacks have not been done in recent years. Billing clerk needs to update records. Chairman Rubinowitz directs the General Manager to look into this. ***Action Item for General Manager.**

Chair temporarily turned over the Director Schug.

Renewal of Website. Director Rubinowitz stated that he has been paying for the website and domain name for the last two years and was unwilling to continue. He would like the district to take over the responsibility of renewal. Director Rubinowitz moved that the district take over ownership of the website. Director Bovey seconded. There was much discussion. At the next meeting, there will be discussion of who will maintain the website. Chairman Schug called for a vote and Chairman Schug, Directors Rubinowitz, Bovey, and Ross voted aye. Director Rubinowitz will forward the bill to the district which is scheduled to renew shortly. ***Action Item Director Rubinowitz.**

Authorize Chairman to negotiate with former Attorneys (Hinkle Firm). Director Rubinowitz moved that the Chairman be authorized to negotiate a settlement for fees due with the Hinkle Law Firm. Director Bovey seconded. Chairman Schug, Directors Rubinowitz, Bovey, and Ross voted aye and the motioned passed unanimously.

Chairman position returned to Chairman Rubinowitz.

Directors Remarks.

Director Ross – none.

Director Schug. Thanks to Marilyn Hatfield with help on the books.

Director Bovey. Thanks to Ron Wyatt. Thanks to all for coming.

Public invited to be heard. No comments.

Executive Session. Director Bovey moved to go into executive session. Director Ross seconded. Chairman Rubinowitz called for a rolling vote. Chairman Rubinowitz: aye; Director Ross: aye; Director Schug: aye; Director Bovey: aye.

Director Bovey moved to exit the executive session. Director Ross seconded. Chairman Rubinowitz called for a rolling vote to exit the executive session. Chairman Rubinowitz: aye; Director Ross: aye; Director Schug: aye; Director Bovey: aye.

Chairman Rubinowitz stated that no action was taken in executive session.

Chairman Rubinowitz entered motion to take General Manager out of probationary status. Director Bovey moved to take General Manager out of probationary status and into permanent status. Director Ross seconded. Chairman Rubinowitz voted aye, Directors Schug, Bovey, and Ross voted aye and it passed unanimously.

Director Schug moved to make Linda Martin the Secretary of the Board. Director Bovey seconded. Chairman Rubinowitz voted aye, Directors Schug, Bovey, and Ross voted aye and it passed unanimously.

Director Bovey moved to adjourn and Director Ross seconded. Chairman Rubinowitz voted aye, Directors Schug, Bovey, and Ross voted aye and it passed unanimously.

The meeting was adjourned.

Minutes Approved July 21, 2012:

Acting Secretary Linda Martin _____

Chairman Burt Rubinowitz _____

MINUTES OF THE JULY 20, 2013 MEETING

OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Joseph Mainello, Directors Arden Schug, Sally Watkins, and Richard "Dick" Dysart. There being a quorum present, the meeting was called to order by Chairman Mainello at 10:00 am.

Saluting of the flags was accomplished.

Approval of Agenda: Chairman Mainello entertained a motion to approve the agenda. Director Schug moved to approve the agenda and Director Dysart seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye. The motion passed.

Director Schug made a motion to go into executive session with an attorney to discuss possible/pending litigation. Director Dysart seconded. There was no discussion. Chairman Mainello called for a roll call vote. Director Dysart for yea; Director Schug voted yea; Director Watkins voted yea; Chairman Mainello voted yea pursuant to New Mexico Open Meetings Act Compliance Guide, Seventh Edition 2010, Section III, Paragraph H, Part 7 Litigation, the board went into a closed executive session at 10:10 am.

Director Dysart moved come out of executive session at 11:00 am. Director Watkins seconded. There was no discussion. Chairman Mainello called for a roll call vote. Director Dysart voted yea; Director Schug voted yea; Director Watkins voted yea; Chairman Mainello voted yea.

Chairman Mainello stated that matters discussed in the executive session were limited only to the discussion of possible litigation.

General Manager's Report. Ron Wyatt, General Manager, gave his report (copy attached to these minutes). The FY2012 audit was approved by the State Auditor. The GM talked to Ron Griggs, State representative, about capital outlay; we should be eligible in October after a bond sale. The state engineer helped fill out the form for two diversion points. The filtration system is almost finished. Shantel will not be running the swimming pool next year, but Paula Rivera-Paulik has agreed to run it. TWSD has been removed from "at risk" status. Rural Water Association member was here to help find leaks. There's no answer yet on large grant. The action item list has been updated. The frequency converter has been installed and is working.

Chairman Mainello opened the meeting to audience participation. He stated that the board wants to make sure public knows what is going on. He stated that the ground rules are to hold up hand and be recognized; to state name and come to microphone.

Audience member Michael Gonzalez asked the GM if TWSD has a spare pump and driver. The GM stated that we have a backup pump, but didn't know about the driver. The GM will find out and let him know. Mr. Gonzalez wanted to know how long the pump runs; GM replied 16 to 18 hours. Mr. Gonzalez

wanted to know if there were plans to use the springs. Director Schug stated that the amount of time of well use depends on demand; Director Dysart stated that everyone needs to be aware that the water goes from the well to a holding tank by the well, then pumped to a storage tank. The pump should not be running full time. The General Manager stated that he will request colonias funds for a master plan.

Audience member Noreen Gonzalez asked if there was a back-up plan to replace pipes if no grants are available. The General Manager replied, yes, somewhat, but first we must have a master plan because we've got to change out old piping. Chairman Mainello stated that we definitely need to have master plan; will have to be phased in to change out pipe. There was some discussion.

Treasurer's Report. Director Schug read bank statement balances as of June 30, 2013. He stated that this was a new Fiscal Year and he'd talk about the budget later. Audience member and employee John Thorell said that we should be advertising the golf course; that we need to get the word out. Audience member Michael Gonzalez asked about what was owed on the judgment. Director Schug replied that we don't know who to pay at this time, but that we are accumulating funds to pay the judgment and that the money we owe is in the budget.

Committee Reports.

Budget Committee. Director Dysart stated that the committee has an initial FY2014 budget and a final FY2013 budget prepared. Director Schug stated that the budget meetings are open to the public. Director Dysart appealed to the audience for help. Audience member B.F. Adams asked if there was a list to tell people when the committee was meeting. Director Dysart said there is a meeting every Thursday at 10:00 am. Audience member Michael Gonzalez stated that the committee needs to think about budget and need to make sure people are not getting one hundred dollar water bills. He stated that there is no excuse for the judgment. Director Dysart stated that we are paying for mistakes that were made in the past. Audience member Michael Gonzalez stated that the community demographics can't afford to pay more. Chairman Mainello stated that the board is doing the best for the community.

Water Rules Committee. Chairman Mainello stated that the committee is continuing to work on rules. The original format was a template from the Public Regulation Commission. Since 2003, we have been going by a revised format adopted by a resolution dated January 1, 2003. The district is now under the PRC and has to go by the prescribed PRC format. He hopes to have something by the next meeting to present to the board.

Golf Course Committee. The General Manager stated that the employees were doing a great job. He has talked to some leasing companies and will follow up with them. Chairman Mainello asked what the Golf Course was costing. The General Manager replied that it is about \$30,000. Chairman Mainello asked how many golfers were using the course. The General Manager replied that there were about half a dozen on average. Audience member and employee John Thorell thinks we are doing great and the carts are ready to be used. Director Dysart asked if the GM has thought about cattle prods. John Thorell stated that there was no sign of cattle. Audience member Noreen Gonzalez stated that the web site showed that the golf course was closed. The GM said we'd get that changed. Audience member and employee Todd Hacker asked what the cost would be to lease the golf course. The GM replied that

everything is on the table. Todd Hacker stated that the course looks great. There was much discussion about making an effort to get the golf course used; lots of possibilities. Michael Gonzalez stated that whoever leased golf course would want water and that should be a part of the lease agreement and that, until the water system is straight, TWSD should think about contractual agreements. Director Schug stated that the course was in really bad shape and that's why it was closed. Also, that, yes, we should advertise it now and try to recoup some money. We need to get people up here. The GM said that if Michael and Todd want to be on Golf Course Committee, it would be appreciated.

Old Business.

Discuss ICIP. Director Schug stated that he would like input from the public to make a five year plan. Chairman Mainello stated that these funds could be used for existing or new assets. Director Dysart stated that the ICIP was a compilation submitted to the state legislature. There was some discussion and explanation of how ICIP works. Audience member and employee Todd Hacker suggested that TWSD do something with the tennis court. There was more discussion about improvements. Chairman Mainello stated that our main focus had to be the water system.

New Business.

Approval of July 16, 2013 work session meeting minutes. Director Schug moved to approve the minutes without reading, as written. Director Dysart seconded. There was no discussion. Directors Schug, Watkins, and Dysart voted aye and the minutes were approved.

Approval of the FY13 final budget. This item was struck as it was not needed.

Approval of the FY14 initial budget. Director Schug described all the things that were put in the budget. Chairman Mainello asked for questions. Director Dysart stated that the income forecast and budget was based on the past year. He stated that there was no change on income or expense. Chairman Mainello entertained motion to approve FY14 initial budget. Director Dysart moved to approved initial budget and Director Watkins seconded. The secretary read Resolution 2013/2014-002, Approval of Fiscal Year 2014 Initial Budget. Director Dysart removed his initial motion and Director Watkins removed her second. Director Dysart moved to approve Resolution 2013/2014-002, Approval of Fiscal Year 2013 Initial Budget and Director Watkins seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye and the resolution was adopted.

Approval of the Fiscal Year 2012 audit. Director Schug moved to approve the Fiscal Year 2012 audit prepared by Kriegel, Gray, Shaw & Co PC and submitted to the Office of the State Auditor. Director Dysart seconded. There being no discussion, Chairman Mainello called for a vote. Directors Schug, Watkins, and Dysart voted aye and the FY12 audit was approved.

Set F&S fee. Director Schug moved to leave the F&S (Facilities and Services) fee at \$30.00 for the coming year. Director Watkins seconded. Director Schug stated that they worked hard on finance and budget and that this F&S fee really helped balance the budget. Director Dysart felt that \$30.00 a year was not an undue burden. Audience member Noreen Gonzalez asked if TWSD was going to send a letter

with the bill. Director Schug stated that we could put the information on the web site to save money on postage. Director Mainello stated that some people ignored charges and that we have outstanding uncollected funds. He brought up late fees and interest. Director Watkins stated that she thought late fees were a good idea. Director Dysart stated that some people still will not pay. There was much discussion. Director Mainello wanted it as a matter of record to start charging late fees and interest. Audience member Noreen Gonzalez asked why people weren't paying. She stated that it would probably be a good idea to put on the web site what the funds would be used for. More discussion. Director Dysart agrees that on the next billing cycle, put on the billing cards that a late fee and interest would start to be charged. Director Schug proposes a 10% interest charge and a \$10.00 late charge. Noreen Gonzalez asked what the late fees were for standby and was told we couldn't charge those because they weren't approved by the PRC. F&S charges don't fall under the PRC. Michael Gonzalez complained that some people pay standby fees and then want a meter installed and it takes eight months. Director Schug amended his motion to charge a \$30.00 a year F&S charge to include a \$10.00 late fee and a 10% interest charge one month after due date. Director Watkins seconded. Director Dysart stated that, if he understood correctly, if the customer pays after sixty days, they would incur a late fee, but no interest until the following bill is issued. Chairman Mainello called for a vote. Chairman Mainello, Directors Schug, Watkins, and Dysart voted aye and the motion passed.

Discuss tax levy. The General Manager was told by the DFA that it was impossible to increase the tax levy. There was some discussion.

Change "Budget" Committee to "Finance" Committee. Director Schug moved to change name of Budget Committee to Finance Committee. Director Dysart seconded. Director Schug stated that the committee need to keep tighter reigns on different funds and to make sure spending is being done out of correct funds. He stated that that's a finance function and the name change would properly reflect the function of the committee. Audience member B.F. Adams asked if he was proposing to change the function of the committee. Director Schug replied, yes, to oversee spending. Director Dysart asked if this would cause changes to the by-laws. There was some discussion. Director Schug will work on changing by-laws. Chairman Mainello called for a vote. Chairman Mainello, Directors Schug, Watkins, and Dysart voted aye and the motion passed. ***Action item for Director Schug.**

Discuss receivership/hearing. Chairman Mainello announced that the next hearing would be July 26, 2013, at 11:30 am. He stated that TWSD had met all the requirements to be taken out of receivership and that a motion would be made to terminate receivership.

Director Dysart quoted from by-laws concerning revisions. He stated that the revisions have to be on the agenda at two meetings.

Directors' Remarks.

Director Dysart had no remarks.

Director Watkins thanked the audience for coming and said she would see them Friday in court.

Director Schug thanked the General Manager for the improvements to the water system. Now we have money from grants and the General Manager is doing a fantastic job in getting them.

Chairman Mainello asked if the audience had any comments. Audience member, B.F. Adams stated that he had a folding machine that he was willing to lend to TWSD. The board thanked him for the offer. Audience member Eva Dysart stated that the board is working hard or harder than it's ever had before. B.F. Adams stated that the same can be said for the GM, Ronnie Wyatt.

Director Schug stated that he thought an evaluation was due for the General Manager.

Chairman Mainello thanked the secretary. He also thanked the audience for showing up. He seconded what Director Schug had to say about Ronnie Wyatt doing a great job. He will be going to Truth or Consequences for the hearing. He also asked the board for input to the progress report.

Chairman Mainello entertained a motion to adjourn. Director Dysart moved to adjourn and Director Watkins seconded. Directors Schug, Watkins, and Dysart voted aye and the meeting was adjourned.

Minutes Approved August 13, 2013: Secretary Linda Martin _____

Chairman Joseph Mainello _____

MINUTES OF THE JUNE 20, 2020
REGULAR MEETING OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Richard McMullen, Vice Chairman Timothy Mahoney, Treasurer Lillian Devine, Secretary Linda Martin, and Director Kelly Clark.

Saluting of the flags was accomplished.

Approval of the Agenda. Director Devine moved to approve the agenda as written and Director Mahoney seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

General Manager's Report. The General Manager gave his report.

1. He read P&L amounts. There is \$74,637.83 net income.
2. He read numbers of water pumped, billed, etc. There was a 59% loss.
3. Five meters have been installed.
4. Three new line extension estimates have been requested.
5. A part for the SCADA system has been ordered.
6. There was a two-inch line break at the plant which soaked the VFD so that needs to be replaced.
7. The grader blew a hydraulic hose; it has since been repaired. Material has been hauled as needed. We would like to start a road committee.
8. The office has been opened and procedures are being updated.
9. All grants are currently unfunded and on hold. The PER has been approved.
10. We are working on increasing the watering of the Golf Course.
11. We have created a work sheet for the High Country to report Golf Course income.
12. We need to discuss the fee structure for the Golf Course.
13. We have no idea of when the swimming pool can open; we may need a new pump.
14. We need a recreation committee.
15. The survey of the Lodge property is almost complete.
16. Employee Ilene Ricketts is working on staining/painting the Pavilion. We'll see how that goes before starting on the exterior of the Lodge.
17. The sprinkler system for the Lodge lawn is almost complete.
18. We need the State to inspect the Filtration System, but they are working from home right now and can't come to Timberon.

Chairman McMullen asked what we can do to prevent the electronics at the plant from getting flooded again. The GM responded that we can reduce the pressure of the pipe and move it outside.

Audience member Daniels asked about the slash pit; said that it was full. The GM responded that it was pushed this morning. Audience member Daniels also expressed appreciation to Joe Bob and Richard for working on the roads.

Chairman McMullen stated that the fire department is working toward burning the slash pits. There was some discussion.

Audience member Schug had a few comments/questions. He questioned why the High Country gets two thirds of the Golf Course proceeds. Audience member Clements, previous board member, stated

that he negotiated that contract and that the High Country has/continues to make improvements to the building and getting tournaments.

Audience member Schug asked about the mower blades for the Golf Course. The GM explained that the blades can be changed over.

Audience member (on the phone) Noreen Gonzalez had a few questions/comments. She asked about overtime for employees. The GM replied it was approximately \$5,000.00 for the year which was \$2,000.00 under budget. It was approximately \$500.00 last month. She requested a sign be put at the dumpster to direct people to the slash pits for slash. The GM replied that we can get a sign.

There was some discussion about the dumpster.

Treasurer Report. Director Devine did not read the bank balances. They were the same as the last regular meeting which was: F&S, \$126,732.49; Short Lived, \$119,808.02; Standby, \$115,573.62; Operations, \$54,089.50; Restricted Reserve, \$55,159.73 (\$941.21 transferred in from SB past due); Reserve, \$6,236.80; USDA Loan, \$852.02.

Audience member Gonzalez asked what the Risk Management expenses were. The GM stated they were \$99,838.57 for the fiscal year.

Committee Reports. None.

Old Business.

Update on Door and Window repair. The GM stated we do not have an answer yet. There was some discussion.

New Business.

Approve Minutes of the June 15, 2020 Special Meeting. Director Martin moved to approve the minutes as written and dispense with the reading. Director Mahoney seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

Discuss/Approve annual F&S Resolution. There was some discussion. Director Martin read the new resolution and parts of the previous resolution. Audience member Gonzalez stated that the F&S fees are not authorized by statutes. Chairman McMullen stated that we are just rescinding the old resolution and replacing it with a new resolution. Chairman McMullen moved to rescind the old resolution (2011/2012-005) and approve the new resolution (2019/2020-012) which eliminates the yearly review. Director Mahoney seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

Discuss/Approve selection of Auditor. There was some discussion. Board members had not had a chance to review the three proposals. Director Martin moved to table this item until the next meeting. Director Mahoney seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

Approve BAR (Budget Adjustment Resolution). There was some discussion. Director Martin moved to approve the BAR and Director Devine seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

Revisit rent for Hight Country. Chairman McMullen moved to table this item until the State allows bars to open and Director Mahoney seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the motion passed.

Appoint a treasurer. There was some discussion. This item will be on the agenda for the next meeting.

Set agenda for July 7, 2020.

Update on door and windows.

Discuss/Approve Auditor.

Accept current Treasurer's resignation.

Appoint a new Treasurer.

Discuss/Approve restructuring of Recreation and Facility Rental fees.

Directors Remarks.

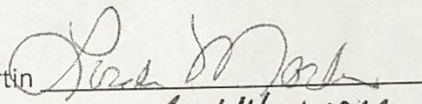
Chairman McMullen stated that it was nice to have a live audience again.

Audience member Gonzalez thanked the GM for his report.

Director Martin moved to adjourn the meeting and Director Clark seconded. Chairman McMullen, Directors Mahoney, Devine, Martin, and Clark voted aye, and the meeting was adjourned.

Minutes approved July 7, 2020.

Secretary Linda Martin



Chairman Richard McMullen

