

SPECIAL MEETING MINUTES
Board of Directors of Timberon Water and Sanitation District
Thursday, July 18, 2024, at 4:00 pm
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

The meeting was called to order at 4:00 PM by Vice Chair Mark Harding.

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

Vice Chair Mark Harding, Treasurer Edward Hardesty, Director Terri Borzoni, Director Allen Burmeister and General Manager Renee Hamilton were all present.

APPROVAL OF AGENDA

Treasurer Hardesty made a motion to approve the agenda. Director Burmeister seconded the motion. A vote was called. All voted in favor, none opposed. The motion to approve the agenda passed.

NEW BUSINESS

1. Discuss Bilateral Actions Taken by TWSD Treasurer and Resigned/Former Chairman Changes to TWSD Checking Account Signature Authority and Fiscal Checks and Balances Without Board Discussion or Approval.

Vice Chair Mark Harding read a statement:

"The reason for calling this special meeting today is transparency. A long standing issue with TWSD is the public perception that the district lacks transparency. For the past few years, it has been the goal of the TWSD board of directors and the TWSD management to undo this perceived lack of transparency. Building and maintaining public trust in the TWSD is the first goal of the district and is essential to its operations. The open meetings act, formation of public policy 10-15-1-A states the following: *In recognition of the fact that a representative government is dependent upon informed electorate, it is declared to be public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them.* And this is from the Government Conduct Act chapter 10, article 16 section 3 paragraph A which states the following: *A legislator or public officer or employee shall treat the legislators' or public officers' or employees' government position as a public trust. The legislator or public official or employee shall use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.*"

Vice Chair Harding went on to describe an incident that happened on July 11th, where he was called in by Admin Assistant Brad Howard to sign payroll checks, only to find out that he was no longer authorized to sign TWSD checks as a board director. Vice Chair Harding

went on to say that he was appointed to the TWSD Board of Directors in February of 2022, and was duly elected to the board in November of 2023, since that time it has been TWSD policy that board directors are the only ones authorized to sign TWSD account checks. The board treasurer, and former board chairman took it upon themselves to change that policy by removing other directors from the accounts and added the GM. Vice Chair Harding would like to know why it was done without board discussion or approval in an open meeting, and why they thought they had the authority to change TWSD policy without board approval.

Treasurer Hardesty asked for the floor and read the following statement: "When I agreed to assume the responsibilities of the board treasurer, I made it clear that I had no experience in this area and had only the TWSD bylaws to guide me; specifically 6.07, *A) In general, perform all of the duties incidental to the office of Treasurer, B) Be responsible for overseeing that strict and accurate accounts of all money received by and disbursed for and on behalf of TWSD are maintained in permanent records.* So, if there is a TWSD policy that you mentioned, and I'm not saying there isn't, I just have never seen or heard of it myself. I do recall informing the Board at an open meeting when Chairman Cruet and I met with the bank manager to add our names as signatories, that there were many people who were no longer on the board that were still authorized to sign checks and presumably able to access our accounts. We took the action we did to start with a clean slate, not to exclude you. This can easily be remedied."

Treasurer Hardesty went on to describe the actions he had taken after taking over as treasurer, including speaking to our accountant in Las Cruces, taking online classes, talked to past board members, talked to Henry Valdez (NM DFA), researched the manual of model accounting and practices, the government accounts and standards board to see what the auditors are going to look for when they come around. That was all to familiarize himself with financial and internal controls and separation of duties.

There was more discussion back and forth about the interpretation of the bylaws, and procedure for adding a director back on to the signers list.

Treasurer Hardesty then submitted his written resignation as the board treasurer. He clarified that he is just resigning as treasurer, not board member.

Vice Chair Harding stated that all he wanted out of this is for our signature authority to be put back the way it was, and he opened it up to the rest of the board and the audience for comments.

Audience member JJ Duckett (former GM) commented that in the past, the GM does have signing authority along with all the board members, since the GM is usually available in the office, and board members need to be called in to sign checks and they may or may not be on the mountain. The GM has more information about expenditures and would sign off on the purchases. He stated that this is included in the office policy manual.

Audience member Arden Schug commented about changes in the current Water and Sanitation Act that should be reviewed by the board.

There was more discussion relating to the time frame for appointing a new board member, having a district court judge appoint the next board member, board elections, procedures for a board member to be a signer on the bank accounts, and other general topics unrelated to this agenda to be brought up at the next meeting.

MOTION TO ADJOURN

Director Borzoni made a motion to adjourn the meeting. Director Burmeister seconded the motion. A vote was called. All voted in favor, none opposed. The motion to adjourn passed, and the meeting adjourned at 4:41 PM.

Approved July 23, 2024

Chairman *Mark Anderson*

Secretary *W. Howell*

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