

January 4, 2012

**Timberon Water and Sanitation District  
1 Bobwhite Circle  
Timberon, New Mexico 88350**

To whom it may concern,

Pursuant to order of the 12<sup>th</sup> Judicial Court filed December 12, 2011 item 4, a. (copy attached) the Timberon Water and Sanitation District Board of Directors met in regular open session on the 17<sup>th</sup> of December, 2011 and authorized the officers named below to sign checks of the District.

The following is an excerpt from the minutes of the December 2011 meeting of the Timberon Water and Sanitation District Board of Directors.

Authorization for officers to sign checks. Burt Rubinowitz related that the current court order requires the Board to take care of TWSD business and as such will require checks to be written by authorized individuals. Arden Schug moved to authorize officers of the Board of Directors to sign checks and to require two signatures on all check issues. Mike Bovey seconded the motion. There being no discussion, Chairman Rubinowitz called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion carried. Burt Rubinowitz stated he would determine what is needed to be able to get the signature cards changed for the TWSD accounts.

Safe deposit box key and authorization. Burt Rubinowitz related that he thought Dr Moore would be getting the safe deposit box key from Mr. Nivison and would in turn bring it with him when he come to Timberon during the week of the 19<sup>th</sup> of December. Joe Mainello moved to authorize officers of the Board of Directors to obtain signature cards for the safe deposit box and requiring a minimum of two signatures for access to the safe deposit box. Arden Schug seconded the motion. Discussion followed regarding the disposition and storage of the safe deposit box key. It was determined that since two signatures are required for access, the key could be stored the TWSD offices. There being no further discussion, Chairman Rubinowitz called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion carried.

The Board consists of five members, all of whom voted in favor of the motions above permitting any two Officers to sign checks of the District and to access the Safety Deposit Box.

The current officers are as follows.

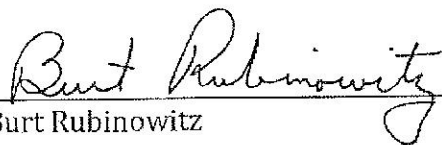
Burt Rubinowitz	Chairman
Joe Mainello	Vice Chairman
Arden Schug	Treasurer
Mike Bovey	Secretary

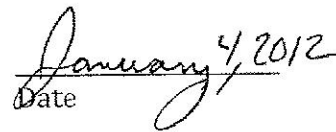
Please allow the officers listed above to execute signature cards for any and all accounts and to access the safe deposit box of the Timberon Water and Sanitation District.

Thank you for your assistance in this matter.

Sincerely,

Burt Rubinowitz  
Chairman of the Board

  
Burt Rubinowitz

  
Date

## **Minutes of the January 17, 2012 Work Session of the TWSD Board of Directors**

Attending in person were Directors Arden Schug, Edward "Mike" Bovey, Burt Rubinowitz and Joe Mainello. There being a quorum present the meeting was called to order by Chairman Rubinowitz at 6:00 PM.

**Approval of Agenda:** Without objection the agenda was accepted as presented. Hearing no objections, the agenda was adopted.

**Canvass and declare results of Jan 10, 2012 election.** Dick Dysart, Election Secretary briefed the results of the January 10, 2012 election. Board positions 2, 3, and 4 were unopposed. Charles Ross was elected to fill position 5. The attached election tally sheet provides the details of the election. Mr. Dysart also briefed the election costs, and a spreadsheet of cost details is attached (note: Alamogordo Daily News has yet to submit an invoice). Mike Bovey moved to declare the results of the election as Position 2 - Mr. Bovey; Position 3 - Mr. Mainello; Position 4 - Mr. Schug; and Position 5 - Mr. Ross as the winners of the January 10, 2012 election. Joe Mainello seconded the motion. Joe Mainello asked a question about the current board approving the election results for the new board, and Burt Rubinowitz clarified that as the sitting board, we could approve the results. There being no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the election results were declared as stated in the motion.

**Request from Timberon Volunteer Fire Dept. to relocate a radio repeater tower.** The Timberon Fire Chief, Joe Wheeler was not present at the Work Session to discuss the details of this issue. Therefore, this item was added to the agenda of the January 21, 2012 TWSD Board Meeting.

**Set the agenda for the January 21<sup>st</sup> 2012 Meeting.** Chairman Rubinowitz canvassed the board members present and the following items were established as Unfinished and New Business:

### **Unfinished Business**

Hire attorney to represent TWSD Board of Directors.

Request from Timberon Fire Department to relocate a radio repeater.

Direct staff to invoice Cloudcroft School District for parking bus and cost of electricity.

### **New Business**

Approve payment of costs associated with January 10, 2012 election.

Address Management Consultant Contract with Dr. Moore.

Begin process to hire a General Manager for the District.

Compensation for accounting services.

Submit water rates to PRC using accelerated method discussed in the recent letter to Judge Reynolds from the PRC.

Assign the duty of responding to Freedom of Information Act and other legal requests for information until such time as a General Manager is in place. Responsibility also includes informing Board of Directors members when requests are received.

Address past due water bills for Timberon community members.

Address list of past due invoices from District vendors.

Respond to Federal Communication Commission (FCC) letter requesting information about District radio communications.

Authorize reimbursement to BF Adams for the computer system he purchased to support the accounting system for the District.

Solicit a community volunteer to act as a Timberon Community Ombudsman (somebody responsible for investigating and resolving complaints from consumers or other members of the public against a company, institution, or other organization).

Investigate ways to initiate an Infrastructure Rate Charge for Timberon/TWSD.

Set rates for water line extensions.

Accomplish a contract with Discover Timberon, Inc.

Non-Binding Resolutions

Memorials

Status of the District

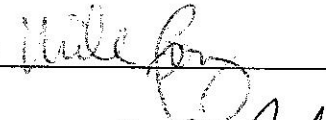
Swearing in of new board members as a result of the January 10, 2012 election.

**Directors Remarks.** None

Joe Mainello moved to adjourn and it was seconded by Mike Bovey. The vote was unanimous and the meeting was adjourned at 6:48 PM by Chairman Rubinowitz.

Minutes Approved January 21, 2012:

Secretary Mike Bovey



Chairman Burt Rubinowitz



2 Atch

January 10, 2012 Election Tally Sheet

January 10, 2012 Election Expenses



## **Minutes of the February 14, 2012 Work Session of the TWSD Board of Directors**

Attending in person were Directors Arden Schug, Edward "Mike" Bovey, Burt Rubinowitz, Charlie Ross and Joe Mainello. There being a quorum present the meeting was called to order by Chairman Rubinowitz at 6:00 PM.

**Approval of Agenda:** Without objection the agenda was accepted as presented. Hearing no objections, the agenda was adopted.

### **Discuss items for placement on the Saturday Feb. 18, 2012 Board Meeting agenda.**

Various points were discussed related to the agenda for the regular February meeting of the TWSD Board of Directors. "New Business" items were identified for the agenda and the Board Secretary agreed to review the minutes of the January Board Meeting for "Unfinished Business" items for the agenda.

**Set agenda for the Saturday meeting.** The following "New Business" items were identified for the January meeting:

Election of officers for the newly elected TWSD Board of Directors.

Approve submitting the updated "draft" budget along with actual expenditures to the State Department of Finance and Administration (DFA).

Authorize expenditure of the \$40,000 loan from the State.

Identify a specific project (s) and allocate dollars from the \$40,000 loan from the State.

Request DFA approve the long term repayment or grant status for the \$40,000 loan from the State.

Establish a committee to put together the PRC filing for permanent water rate increases and establish basic guidance for the committee.

Review and approve the Motion for Clarification to the PRC concerning water line extensions.

Consider sending one or more employees and or Directors to New Mexico Rural Water Association training sessions.

Forward copies of approved TWSD Board Meeting minutes to Judge Reynolds's clerk for appropriate dissemination.

Mail a monthly progress report to Judge Reynolds's clerk for appropriate dissemination.

Forward a copy of the January 20, 2012 letter from Doug Perrin (The Perrin Law Firm) to TWSD to Judge Reynolds.

Determine authorized individual(s) to contact Zach Cook, the newly contracted attorney for the District.

Executive session to discuss and evaluate applicants for the position of manager.

Select individual to offer part time General Manager position for the District from interviewed applicants.

**Executive session to interview applicants for the position of manager.** IAW the Open Meetings Act Mike Bovey moved to go into Executive Session at this time. Arden Schug seconded the motion. The Chairman called for a roll call vote. Charlie Ross voted Aye. Arden Schug voted Aye. Joe Mainello voted Aye. Burt Rubinowitz voted Aye. Mike Bovey voted Aye. The motion carried and the Board entered Executive Session at 7:09 PM. The Board came out of executive session at 9:24 PM and the Board did not take any actions but only performed interviews of the applicants for the General Manager position.

**Discuss \$40,000 Loan.** Considerable discussion took place on this subject while discussing items for the February Board Meeting above. Additional discussion identified possible projects for this money. It was estimated that it would take approximately \$37,000 - \$40,000 to completely install the membrane filtration system which would allow the District to use surface water (spring water) as the primary source of water for the District. With this project it was estimated that the District would save approximately \$2,000 per month in electrical cost associated with pumping water from the well. Other items were also discussed.

**Discuss procedure for PRC filing.** Considerable discussion took place on this subject while discussing agenda items for the February Board Meeting above.

**Ratify emergency purchase of Transfer Pump.** Arden Schug moved to ratify the emergency purchase of the transfer pump. Mike Bovey seconded the motion. Discussion of the problems associated with the transfer pump and installation followed. There being no further discussion, the Chairman called for a vote. Arden Schug, Mike Bovey, Burt Rubinowitz, Charlie Ross and Joe Mainello voted Aye. There were no negative votes and the motion carried.

The Chairman entertained a motion to adjourn. Mike Bovey moved to adjourn. Joe Mainello seconded the motion. There being no discussion, the Chairman called for a vote. Directors, Ross, Schug, Mainello, Rubinowitz, and Bovey voted Aye. There were no negative votes and the meeting was adjourned at 9:47 PM.

Minutes Approved February 18, 2012: Secretary Mike Bovey\_\_\_\_\_

Chairman Burt Rubinowitz\_\_\_\_\_

**NOTICE OF MEETING:**

**CHAIRMAN OF THE TWSD BOARD OF DIRECTORS BURT  
RUBINOWITZ HAS CALLED FOR A WORK SESSION OF THE  
TWSD BOARD OF DIRECTORS TO BE HELD AT 6:00 PM  
TUESDAY,  
JANUARY 17, 2012 AT THE COMMUNITY CENTER LODGE**

**AGENDA**

1. Canvass and declare results of Jan 10, 2012 election.
2. Request from Timberon Volunteer Fire Dept. to relocate a radio repeater tower.
3. Set the agenda for the January 21<sup>st</sup> 2012 Meeting.
4. Directors Remarks.

Posted 3:30 p.m. January 16, 2012

## **Minutes of the January 21, 2012**

### **Meeting of TWSD Board of Directors**

Attending in person were Directors Burt Rubinowitz, Arden Schug, Edward "Mike" Bovey, and Joe Mainello and attending via teleconference was Director Virgil Beagles. There being a quorum present the meeting was called to order by Chairman Rubinowitz at 10:10 AM.

#### **Pledge of Allegiance**

#### **Salute to New Mexico Flag**

**Approval of Agenda:** Joe Mainello moved to approve the agenda for the meeting. Arden Schug seconded. Burt Rubinowitz stated that the adoption of minutes should read "December 17, 2012" and he struck Golf Course and Bylaws committee reports from the agenda. He also stated that the "Request from Timberon Fire Department to relocate a radio repeater" under Unfinished Business would be postponed until further notice by the Fire Department. Mike Bovey stated that the posted date on the agenda should be 2012, and he asked that the approval of the January 17, 2012 Work Session minutes be added to the agenda. There being no further discussion, the Chairman called for a vote on the agenda as corrected/modified. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the agenda was approved.

**Adoption of the minutes of December 17, 2011 meeting.** Chairman Rubinowitz entertained a motion to approve the minutes as submitted. Joe Mainello moved to approve the minutes without reading the minutes. Arden Schug seconded the motion. Arden Schug asked if the minutes were posted or put on the website. Burt Rubinowitz stated that minutes are available at the District offices and that posting on the website would be a good idea. There being no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the minutes were adopted as submitted.

Chairman Rubinowitz entertained a motion to approve the minutes of the January 17, 2012 Work Session as submitted. Joe Mainello moved to adopt the minutes as written and to allow time for members to read the minutes. Arden Schug requested that the minutes be read allowed. Mike Bovey read the minutes. Arden Schug seconded the motion on the table. There being no discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the minutes were adopted as submitted.

**Treasurer's Report:** Arden Schug reported the current status of our bank accounts: Western Bank - \$64,859.74; 1<sup>st</sup> National Bank - \$119,593.37. He stated that the current Accounts Payable is \$188,721.33 and does not include the Valentine judgment since it is still in litigation. Mr. Schug stated he is in the process of comparing the actual second quarter numbers to the second quarter numbers in the working budget. Mr. Beagles asked about the status of the \$40,000 loan from the state. Mr. Rubinowitz stated his

understanding is that none of this money had been spent. Dr. Moore stated that the \$40,000 is in the Otero Federal Credit Union.

#### **General Manager's/Management Consultant's Report:**

Dr. Moore pointed out that he brought with him the organized financial records for the District for fiscal 2010. These are now ready for data entry by the TWSD staff.

Dr. Moore related details of the repair of the transfer pump and indicated that the small booster pump between Tanks 2 and Tank 3 is going out and work is underway to correct this problem.

Dr. Moore stated that he meet with the auditors after the court hearing on January 13, 2012. A new lead auditor, Debbie Gray has been assigned to the audits and has requested some additional data. Dr. Moore said he would see that the auditors get the data they have requested. The bottom line is that within five to five and one half weeks the 2009 audit should be ready for the exit conference with TWSD representatives. The auditors need the background material for the 2008 audit report and the Accounting and Consulting Group has not responded to their request. The auditors have now made a formal request for these documents to the State Auditor's office. Dr Moore will be in contact with Debbie Gray on Monday to check status of this request. If there still no response, Dr. Moore and Debbie Gray will both be in contact with the State Auditor's office. Dr Moore asked the auditors if they wanted to consider FY 2010 and FY 2011 audits, and they said yes but they wanted to get FY 2009 done first. Arden Schug asked about the billing for the audits since there had been a change in the lead auditor. Dr Moore responded that the auditors had agreed to stay within the current contract. Arden Schug also asked if there is more than one person working on the audit. Dr Moore responded that they had assigned a second person to our audit.

#### **Committee Reports**

Budget Committee: Arden Schug wants to get the budget committee together to help break down the actual numbers for the second quarter in order to compare this to the working budget.

#### **Unfinished Business**

Hire attorney to represent TWSD Board of Directors. Burt Rubinowitz requested that Joe Mainello take over the Chair so he could discuss this item. Joe Mainello agreed and assumed the chairmanship. Burt Rubinowitz moved to continue to retain Zach Cook as the Districts attorney at the same rates as were negotiated by Mr. Nivison, if he is willing to agree with those terms. Mike Bovey seconded the motion. Arden Schug expressed his concern about Mr. Cook's availability since he is a legislator. Burt Rubinowitz stated that Mr. Cook indicated he would be available if needed and that there are only a limited number of issues at this time that would require Mr. Cook's attention. There being no further discussion, the acting Chairman called for a vote. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye and Director Beagles abstained. There were no negative votes and the motion passed. The Chair was then returned to Burt Rubinowitz.

Direct staff to invoice Cloudcroft School District for parking bus and cost of electricity. Mike Bovey read the draft cover letter for the invoice to be sent to Cloudcroft School District. Arden Schug moved to direct the TWSD staff to invoice Cloudcroft School District for parking the bus and cost of electricity. Joe Mainello seconded the motion. There being no discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed.

### **New Business**

Approve payment of costs associated with January 10, 2012 election. Burt Rubinowitz reminded the board that the original estimate for the cost of this election was \$1,700. The actual cost came in at \$1,602.41 (See Atch 1 for a breakdown). Chairman Rubinowitz entertained a motion to pay these bills. Mike Bovey moved to pay the bills associated with the January election. Arden Schug seconded the motion. There being no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed.

Address Management Consultant Contract with Dr. Moore. Burt Rubinowitz requested that Joe Mainello take over the Chair so he could discuss this item. Joe Mainello agreed and assumed the chairmanship. Burt Rubinowitz moved to continue to retain Dr Moore at the rates negotiated by Mr. Nivison until March 31, 2012 with the condition that the District may shift some of Dr Moore's responsibilities to others. Mike Bovey seconded the motion. Arden Schug stated that IAW the Open Meetings Act he would like to call for an Executive Session to discuss this personnel issue and he moved to go into Executive Session at this time. Virgil Beagles seconded the motion. The acting Chairman called for a roll call vote. Mike Bovey voted Aye. Arden Schug voted Aye. Virgil Beagles voted Aye. Burt Rubinowitz abstained. The motion carried and the Board entered Executive Session at 10:59 AM. The Board members discussed the details of the proposed contract in Executive Session, and there was no action taken during the Executive Session. At 11:55 AM Arden Schug moved that the Board come out of Executive session. Mike Bovey seconded the motion. The acting Chairman called for a roll call vote. Mike Bovey voted Aye. Burt Rubinowitz voted Aye. Arden Schug voted Aye. Virgil Beagles voted Aye. The Board resumed the regular session. Discussion during the Executive Session centered on the specific duties to be included in the management consultant contract. Mr. Rubinowitz requested to amend the original motion, and the acting Chairman approved his request. The motion was amended to read, "to continue to retain Dr Moore for the following through March 31, 2012 (refer to the draft management contract at Atch 2 for item numbering): (1) Prepare for and assist the contract auditing firm in the conduct of financial audits. (2) Prepare for and assist with the update and reconciliation of TWSD financial records through 2011. (3) Continue to perform General Manager duties including but not limited to personnel and / or management until we hire another General Manager. (4) Act as a collection agent for TWSD to recover past due metered water and standby water charges from customers but limited to a list of approximately 400 active accounts that will be provided by Dr Moore. He will only be compensated on these accounts at a rate of ten percent (10%) collected and only on collection made through June 30, 2012. Dr. Moore will provide the list of accounts by February 2, 2012. (7) Complete the 2006 FEMA flood project and the Deep Freeze project from 2011. (11) Continue to coordinate District business with regulatory agencies, and



ensure compliance with state, local, and federal laws, rules, and regulations until items 1 and 2 above are done.

Virgil Beagles questioned the specifics of the billing for the contract. After discussion and review of the draft contract (Atch 2 – “Terms” section), clarification was provided as to the rate and the need to provide specific details on tasks that are being billed. The acting Chairman asked if there was a second to the motion to amend the original motion. Virgil Beagles seconded this motion. Dr. Moore requested that we refer to “accounts” verses “contacts” for clarity and that the terms for compensation be clear that he would only be compensated on collected accounts through June 30, 2012. Burt Rubinowitz restated the amendment as stated above. BF Adams asked if the full amount of the overdue fees would be collected of a negotiated amount. Dr Moore said he would collect the full verifiable amount, and there may be cases of a negotiated payment plan but for the full verifiable amount. With no further discussion on this motion, the acting Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed. With no further discussion on the original motion to continue to retain Dr Moore as stated in the previous amendment to the original motion, the acting Chairman called for a vote on the original motion. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed. The Chair was then returned to Burt Rubinowitz.

Begin process to hire a General Manager for the District. Arden Schug moved that we start the process to hire a General Manager with a 60 day probationary period. Joe Mainello seconded the motion. There was no discussion and the Chairman called for a vote. . Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed. BF Adams asked about expediting the hiring of a General Manager. Burt Rubinowitz explained the process, and that we would expedite as much as possible.

Compensation for accounting services. Marilyn Hatfield submitted a letter to the Board requesting eventual compensation for her services in the form of two cemetery lots. Mike Bovey moved to compensate Ms. Hatfield with two cemetery lots. Virgil Beagles seconded the motion. After discussion clarifying her request, Mr. Beagles withdrew his second and Mr. Bovey withdrew his motion in order to restate the motion. Mike Bovey moved to compensate Ms. Hatfield at the rate of \$35/hour of work beginning January 16, 2012 through completion of training for office personnel. Compensation will be in the form of two cemetery lots at \$400 each with the provision if her charges are less than \$800, she will compensate the District for the difference. Arden Schug seconded the motion. Hearing no further discussion the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed.

Submit water rates to PRC using accelerated method discussed in the recent letter to Judge Reynolds from the PRC. Without objection the Chairman suspended Robert’s Rules in order to discuss this item. Discussion followed establishing that we need some additional clarification from the PRC concerning the submission method explained in Mr. Lyon’s letter to Judge Reynolds. Burt Rubinowitz stated that without objection he would contact the PRC for clarification and assistance. Virgil Beagles questioned the costs associated with the mailing stating that it was documented at just \$3,400. Burt Rubinowitz stated that the

estimate of \$10,000 for this effort included a significant number TWSD staff hours compiling information for the PRC in addition to the \$3,400 cost of the mailing. Mr. Beagles question any action taken without Board approval. Mr. Rubinowitz said his communication with the PRC would only be fact finding in order to seek clarification on this accelerated process.

Assign the duty of responding to Freedom of Information Act (FOIA) and other legal requests for information until such time as a General Manager is in place. Responsibility also includes informing Board of Directors members when requests are received. Arden Schug moved that Dr Moore continue to respond to FOIA and other like information requests until we have a General Manager in place. Joe Mainello seconded the motion. Arden Schug provided background for his decision to make this motion. Burt Rubinowitz clarified that requests for information can only be for existing documents, and he indicated that the office staff may be responding to requests at Dr. Moore's request. Hearing no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello voted Aye. There were no negative votes and the motion passed.

Address past due water bills for Timberon community members. Without objection the Chairman suspended Robert's Rules in order to discuss this item. Joe Mainello stated that he had become aware there is a significant number of past due water bills (this in addition to the past due standby fees). Discussion followed concerning the enforcement of rules concerning past due water bills and that the Board determine what it should do with respect to enforcement.

Address list of past due invoices from District vendors. Virgil Beagles moved to discuss this item. Arden Schug seconded the motion. The Chairman called for a vote on the motion. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed. Arden Schug reviewed his listing of accounts payable indicating that about a dozen bills were past due. He indicated that most are current and that the majority of past due is lawyer fees. Arden indicated that we need to have a plan to pay these debts. Burt Rubinowitz asked about our ability to pay the larger bills if a payment schedule were to be negotiated. Discussion followed concerning how we might identify funds to pay past due bills, and it was suggested that the Budget Committee work this issue. Discussion also included the need to communicate with affected vendors by letter indicating that we are aware of this past due account and are working to rectify the situation. Mike Bovey moved that we prepare a letter to address the debt owed to District vendors and submit it for approval. Arden Schug seconded the motion. With no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the motion passed.

Respond to Federal Communication Commission (FCC) letter requesting information about District radio communications. Without objection Burt Rubinowitz volunteered to look into this issue and to find out what the filing requirements are. Once he has researched this issue, he will wither pass it on to the Manager for action or return it to the Board for action.

Authorize reimbursement to BF Adams for the computer system he purchased to support the accounting system for the District. Mike Bovey moved that the District reimburse BF Adams the \$498.83 he paid for a District computer system and apply this amount as a



credit on his water bill. Joe Mainello seconded the motion. With no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye. There were no negative votes and the motion passed.

Solicit a community volunteer to act as a Timberon Community Ombudsman (somebody responsible for investigating and resolving complaints from consumers or other members of the public against a company, institution, or other organization). Without objection the Chairman suspended Robert's Rules to discuss this issue. Burt Rubinowitz gave some background for this item and some examples on when an ombudsman would get involved. Joe Mainello moved to create the volunteer position of Timberon Community Ombudsman. Mike Bovey seconded the motion. With no further discussion, the Chairman called for a vote. Directors Bovey, Mainello, and Rubinowitz voted Aye and Director Schug abstained. There were no negative votes and the motion passed. Rev Aimie Halo Foster expressed interest in filling this position. Burt Rubinowitz stated we would be soliciting for volunteers and requested the Board Secretary create a notice to solicit volunteers for this position. The Board would then review submissions and select a volunteer.

Investigate ways to initiate an Infrastructure Rate Charge for Timberon/TWSD. Arden Schug moved that we investigate ways to initiate an Infrastructure Rate Charge for Timberon/TWSD. Joe Mainello seconded the motion. Discussion followed as to just how we would investigate this issue and who would take the lead. Comments were made that Burt Rubinowitz had done some previous work on this issue in 2009. With no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, and Rubinowitz voted Aye and Director Beagles voted Nye. There being a majority, the motion passed. Burt Rubinowitz volunteered without objection to take the lead on this issue and to seek assistance from another member of the Board and/or members of the community.

Set rates for water line extensions. Burt Rubinowitz provided background on this issue. When the PRC set the rates for the emergency rate increase the order prohibited charging for water line extensions. Additionally, the District could not provide a water line extension without charging for it as this would be a violations of the Anti-donation Clause. A land owner could do their own extension at their cost. Arden Schug moved that the District set rates for water line extensions. Joe Mainello seconded the motion. Arden Schug stated that we would need to get inputs from local contractors of costs in various areas of the community. He also mentioned that rates for water line extensions were not included in the Districts' emergency rate increase advance notice to the PRC but had been included in previous advance notices sent to the PRC. The omission of this item from the PRC's ruling on the emergency rate increase created this situation. Discussion followed concerning the variables associated with setting rates. Charlie Ross stated that he thought this issue could be included when the advance notice submission goes to the PRC for permanent water rates. Dick Dysart recalled that in the past the District did the line extensions and the land owner was charged time and materials. Further discussion included the issue of standby fees for other land owners and various other costs for line extensions. With no further discussion, the Chairman called for a vote. Directors Schug, Bovey, Mainello, Beagles, and Rubinowitz voted Aye. There were no negative votes and the motion passed. Burt Rubinowitz tasked Arden Schug to set a meeting of the Water Rate Committee and to include rates for water line extensions in the advance notice to the PRC.

Accomplish a contract with Discover Timberon, Inc (DTI). Without objection the Chairman suspended Robert's Rules to allow discussion of this issue. Discussion followed that there had been some work done in the past and with the two receivers there was only a verbal agreement with DTI. Virgil Beagles indicated that he furnished the files from Mr. Deschamps' office to Mr. Cook's office, and these files detail monies owed to the District by DTI. Without objection the Chairman will contact Mr. Cook to see if there is any documentary evidence of the agreement reached or if he has any recommendations. BF Adams asked about the status of the current lease contract. Burt Rubinowitz stated that the Receivers had been given authority to negotiate a contract; but that we would need to see what Mr. Cook has on this issue. Eva Dysart asked about the propane used by DTI and why there was not a separate tank to DTI. After some additional discussion on this issue and the contract in general, Burt Rubinowitz said he would need to contact Mr. Cook to see what agreements were reached by the Receivers before moving forward on this issue.

**Non-Binding Resolutions.** None

**Memorials.** None

**Status of the District.** Arden Schug asked about the status of the water system. Dr Moore stated that we are down from major leaks to minor leaks and are dealing with 5-6 minor leaks. He stated that the small transfer pump from Tank 2 to Tank 3 failed and needs to be replaced and an electrician has been contacted. Joe Mainello asked Dr. Moore about the status of the water filtration system that we have had for some time and has not been installed. Dr. Moore said that if we can get the \$40,000 loan for the state Board of Finance converted to a grant we would have the funds to make this system operational. Amy Foster asked about the quality of the Timberon water. Burt Rubinowitz indicated that the Timberon water is tested periodically and is safe to drink. He stated that the recent "boil order" for Timberon has been lifted. Discussion followed concerning the difference between surface water and well water and the different ways the water is treated. The filtration system being discussed is for the surface water.

**Swearing in of new board members as a result of the January 10, 2012 election.** Charles Ross, Arden Schug, Joe Mainello, and Mike Bovey were sworn in as newly elected members of the TWSD Board of Directors.

### **Directors' Remarks:**

Burt Rubinowitz thanked Virgil Beagles for his service to the District, and welcomed Charlie Ross to the Board.

Joe Mainello thanked everyone for attending the meeting.

Arden Schug thanked everyone who is here today and at the hearing with Judge Reynolds. He also thanked Charlie Ross for being on the Board.

Charlie Ross thanked everyone who voted for him and hoped their faith in him is rewarded.

**Public Invited to Be Heard:** Comments will be limited to (3) three minutes. The issues raised here are not action items and shall not be entitled to decision making by the TWSD Board of Directors at the meeting where they are first raised.

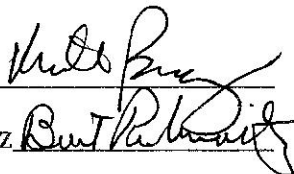
BF Adams asked about the requirements to become a TWSD Board member. Burt Rubinowitz related the details of the Water and Sanitation Act regarding this issue. The only requirement is that a prospective board member must be a qualified elector (a person who pays a rate, toll or charge set by the TWSD Board). Discussion followed that this criteria has yet to be challenged in court.

The Chairman entertained a motion to adjourn. Charlie Ross moved to adjourn. Mike Bovey seconded the motion. There being no discussion, the Chairman called for a vote. Directors, Ross, Schug, Mainello, Rubinowitz, and Bovey voted Aye. There were no negative votes and the meeting was adjourned.

Minutes Approved February 18, 2012:

Secretary Mike Bovey

Chairman Burt Rubinowitz

The block contains two handwritten signatures. The first signature, for Mike Bovey, is written over a horizontal line. The second signature, for Burt Rubinowitz, is written over another horizontal line. Both signatures are in cursive and appear to be in black ink.

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1. 2012 Election Costs
2. Draft Contract for Management Consulting Services

# **MEETING AGENDA**

## **TWSD Board of Directors**

### **Regular Meeting**

**Saturday January 21, 2012 10:00 AM**

#### **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"*

#### **Approval of Agenda**

**Adoption of the minutes of November 19, 2011 meeting**

#### **Treasurer's Report**

**General Manager's/Management Consultant's Report**

#### **Committee Reports**

Budget Committee

Golf Course Committee

Bylaws Committee

#### **Unfinished Business**

Hire attorney to represent TWSD Board of Directors.

Request from Timberon Fire Department to relocate a radio repeater.

Direct staff to invoice Cloudcroft School District for parking bus and cost of electricity.

#### **New Business**

Approve payment of costs associated with January 10, 2012 election.

Address Management Consultant Contract with Dr. Moore.

Begin process to hire a General Manager for the District.

Compensation for accounting services.

Submit water rates to PRC using accelerated method discussed in the recent letter to Judge Reynolds from the PRC.

Assign the duty of responding to Freedom of Information Act and other legal requests for information until such time as a General Manager is in place. Responsibility also includes informing Board of Directors members when requests are received.

Address past due water bills for Timberon community members.

Address list of past due invoices from District vendors.

Respond to Federal Communication Commission (FCC) letter requesting information about District radio communications.

Authorize reimbursement to BF Adams for the computer system he purchased to support the accounting system for the District.

Solicit a community volunteer to act as a Timberon Community Ombudsman (somebody responsible for investigating and resolving complaints from consumers or other members of the public against a company, institution, or other organization).

Investigate ways to initiate an Infrastructure Rate Charge for Timberon/TWSD.

Set rates for water line extensions.

Accomplish a contract with Discover Timberon, Inc.

Non-Binding Resolutions

Memorials

Status of the District

Swearing in of new board members as a result of the January 10, 2012 election.

### **Directors' Remarks**

**Public Invited to Be Heard:** Comments will be limited to (3) three minutes. The issues raised here are not action items and shall not be entitled to decision making by the TWSD Board of Directors at the meeting where they are first raised.

If you are an individual with a disability who is in need of service to attend or participate in the meeting please contact the Public Information Officer at 987-2250 at least one week prior to the meeting or as soon as possible.

Posted at 12:30 pm January 19 2012

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