

MINUTES OF THE MEETING
MEETING OF THE BOARD OF DIRECTORS
of the Timberon Water and Sanitation District
February 7, 2022 6:00 pm
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

Attending the meeting were Chairman Michael Gonzalez, Vice Chairman Jules Neal, Treasurer Terri Borzoni, Director Richard McMullen by phone, Secretary Sharon Vails.

Saluting American and New Mexico flags was accomplished.

Chairman Michael Gonzalez calls for approval of the agenda, Director Richard McMullen interrupts at this point to read a statement, "I would like to speak into the record before you call for the agenda. Please note the following I am participating by phone due to a positive covid testing of a TWSD employee. I am self-isolating for the health of the community and myself, I feel the complete board should be quarantining as well. I feel the TWSD water department should be closed to the public as well. The community should come first, not the personal beliefs of anybody." Please note that at the time of this meeting, the person who had tested positive for the Covid virus was 12 days past having tested positive, and according to the CDC rulings. We were all fine to have been meeting as we were.

At this point, Chairman Michael Gonzalez again calls for approval of the agenda. Treasurer Terri Borzoni made a motion to approve the agenda. Chairman Michael Gonzalez seconded it. The Chairman called for a vote, Treasurer Terri Borzoni voted yes, Director Richard McMullen voted yes, agenda approved.

General Manager's Report

in January we sold just shy of 900,000 gallons water 4.3 million gallons of water per produce that is about 79.5% water loss are filled. Filtration plant is doing good, producing 35% of our water. The spring is doing the same putting out about 180 gpm - 200 gpm.

There are currently 13 meters paid for and waiting to be installed; and though we have two line extension offers for the BOD approval tonight, there is still a backlog of nine line extension estimates to do.

Our grants from the state are moving along, but we will be losing our "grant person" this month as Deanna McCall is retiring on 16 February. The next grant to work on will be the Colonias which is due March 3.

We have cleaned up the dump area again behind the district barn.

JTL Auctions will be coming up on March 12 to look things over in preparation for a possible auction old equipment, etc.

So far, we have received eight applications for the bookkeeping clerk opening the candidates will be reviewed this week.

Our sale of 20 surplus lots went well. We sold 11 lots for an overall total of about \$55,000.

We are also currently in the process of setting up a system on our website where information on current leaks, outages and other problems will be posted and updated.

Roads are currently not working on a schedule for grading. The grading is being done since the meter installs are getting closer to being caught up with the greater will be out full-time soon. Weather permitting. Call the office and put in a work order if your road has an especially bad or dangerous problem.

Opened up to questions for the General Manager. Treasurer asked if General Manager had spoken with "Brad Howard" as he has a lot of experience with the grant writing and wants to volunteer his help.

Treasurer Terri Borzoni asked if there will be changes to all passwords and locks with losing 2 employees.

Chairman Michael Gonzalez wanted to recognize the extra work done by Joe Bob going above and beyond to help several people whose water pipes were frozen during our little snow and cold weather recently. Joe Bob was on the emergency line when I called the help line and immediately responded to help people whose house pipes were frozen. Please relate to Joe Bob our thanks for him going above and beyond to help.

Chairman Gonzalez wondered if there is a way to install an emergency information system to disseminate information to as many people as possible in the event of a major break in the lines or a major water outage to notify people in those areas in a timely manner.

The chairman asked the General Manager how many people had applied for the bookkeeper position, General Manager said there were eight applications to date. The Chairman asked if he (General Manager) was going to be running background checks and drug screens on these applicants, General Manager said they did not normally do this. The Chairman said that they would be doing so now as there is a "no drug policy" in place within TWSD and drug test would be run in keeping with the drug policy of Timberon Water and Sanitation Department; and as part of the process of getting USDA loans it was noted they had a no drug policy. The Treasurer asked what about insurance? If there's some sort of incident and there's no record of any drug testing. Could this not affect our insurance?

The Chairman asked the General Manager how many meters have been installed since last month, there were 14 still to be installed. The chairman asked the cost of installing a meter. Our cost is \$950, it was explained we're using backflow detectors and HDPE pipe. The cost to the customer is about \$1123 at this time.

Chairman asked about the pool pump that was replaced this summer when he came across invoices \$5000 for a pool pump? They replaced the old pump as it was getting weaker and weaker and was not pumping out to capacity. They got a more modern pump. (The state had to okay everything before they could use it.) The new one could not put out what it was supposed to do the new pump burned up. The company took it back and gave us another one. Turns out, the old one still works and then they found the output they had been told that was required was in error and the old pump was fine. So new pump is fine, old pump also fine and it is on the shelf as a backup. The replacement pump came from Mountain Propane and it's identical to the old one so it was put it on the shelf.

Another question, came from the information meeting on Saturday, February 5th. A resident was rather distraught from reading three CCR reports, four violations in 2019, 2020 and Feb 2021 with the same verbiage in each of the four violations in those years. Sample violations, lead in water, enforcement action for not taking action. We did not have the level IV on staff. It appears these violations have to do with language used in testing. There is no clear explanation given for these violations and what has been done to correct them.

Treasurer Report

The Treasurer report lists the reconciled balances as of December 31, 2021. Please see addendum one to the minutes.

Finance Committee

The Finance Committee next meets on February 10th at 3:15 PM there will be a report to follow on the February 21st regular board meeting.

In a letter to Noreen Gonzalez from Laura Whiteside Otero County Treasurer

Hello Noreen,

We have collected \$862,938.06 in taxes from October 1, 2016 to December 31, 2021 and have distributed taxes (minus the administration fee) of \$854,308.67.

In the Treasurer's office, we collect off of tax years, not calendar years. Right now, we are collecting the 2021 taxes. So, we can tell you how much we are supposed to collect in the 2021 tax year, however, because we started collecting in November. Some of that is already included in the number above.

For the 2021 taxes, we should be collecting hundred \$138,568.33 in taxes, which \$74,918.24 is already included in the number above.

Please let me know if you have any questions.

Laura Whiteside

Otero County Treasurer

So according to this letter we can expect some serious shortfalls in expected tax revenues for this upcoming year. The drop in the mil rate from 10% to 7.1.67% has hit us harder than expected.

Water Advisory Committee

Leak Detection:

Because the tank 2 flowmeter is out for repair or replacement. We concentrated on flowmeter 3 bottom of Pawhuska area. We found two areas over 10 GPM.

The plan is to find one or more lines that show significant flow and use the listening device to test its ability to pinpoint leaks.

Golf course well to treatment plant line: attended meeting with BHI to set priority and to discuss the recommended additions.

It was agreed that BHI should complete the engineering and if necessary TWSD would do the trenching and pipe insulation to stay within the budget. Consensus golf course is priority, 50 feet sections at the time survey work lines hugging sides of the road, down to the proper depth.

OLD BUSINESS

- 1. Approve and Direct the General Manager to receive and mail to the appropriate government body the following: "BOD's Oath of Office" and "Fidelity Bond" with the required registration fee for the Oath of Office and the payment of the premium of the Fidelity Bond as per by-laws and statute. (This agenda item flows from the Jan. 4th 2022 "Swearing in of New Board Members" as the incoming board was not given instructions as to what to do with the information packet, "Oath of Office and Fidelity Bond Application").**

This has already been dealt with as of February 4th and 5th 2022. Oaths filed and bonds filed.

- 2. Discuss/Approve the drop off location for the collection and disposal appliances by district residents.** Trash beginning to pile up behind the maintenance barn again. Possible solutions. Richard McMullen says the trash needs to be moved from that dump signed in front of the current dumpster site. Audience member Don Wicklund said at one time South of I-40 wanted to trade a piece of land that is next to the current dumpsters in exchange it for a debt owed, to be used as additional dump space; possible solution for the oversize garbage that will not fit in the dumpster. Audience member Tod Barker knows the person who has another piece of land adjoining the current dumpsite who is wanting to trade the land that is by the dumpsters and he will contact them to see what they have to say. Going to look into contacting recyclers to see if something can be worked out to get them to haul off some of the recyclable trash so

that it is not having to be a cost burden to the district. At this time, all trash is going to be back to the original site. There will be signs made them put up warning people not to dump behind the maintenance barn.

A suggestion was for solar lights to be installed at the dump site to safety. Jesse is going to contact Otero electric and see if they will put up a light pole to keep it well lit up in the dump area at night.

Treasurer Terri Borzoni motions to move the trash back to the original site, have signs made, some sort of lighting fixtures put in, Vice Chairman Jules Neal seconds the motion, Chairman Michael Gonzalez calls for a vote. Director Richard McMullen votes yes, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Chairman Michael Gonzalez votes yes. The motion was passed

NEW BUSINESS

Approve the minutes

Treasurer Terri Borzoni moves to approve the minutes of the meeting, Vice Chairman Jules Neal seconds the motion, Chairman Michael Gonzalez calls for a vote. Director Richard McMullen votes yes, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Chairman Michael Gonzalez votes yes. The minutes approved.

1. Review submitted "letters of interest" and/or "Resumes"/Appoint/Swearing in of new board member to replace position 3 Timothy Mahoney.

Tod Barker, a six-year resident, minister wants to be involved; nurse 30 years, business owner, wants to see community grow. Likes water tank idea as alternative water solution, maintain and improve the district lines. Sees water issues number one problem in Timberon.

Rick Lane also was interested; he is a four-year resident utilities worker pipeline worker feels we need a working system of expansion of water system and repair. He was asked what do you want to see changed? Our primary focus needs to be on water. There's an accountability problem here. Culture, a big thing here, our expectations here, what kind of ethic, work ethic do we have, we need to build one here.

Roll call vote: for Tod Barker. Treasurer Terri Borzoni voted for Mr. Barker, Vice Chairman Jules Neal voted Mr. Barker, Director Richard McMullen voted for Mr. Barker, Chairman Michael Gonzalez voted for Mr. Barker. The vote was unanimous for Tod Barker

Tod Barker was sworn in using the state version of the affirm oath of office.

Director Richard McMullen was again asked when he was bringing in the bank signature cards, He claimed he did not have to allow the signatures until the bonds and binders cleared. Director Richard McMullen was told there were no rules applying to him withholding the signature cards for signatures. He claimed moral and ethical standards for him (Richard McMullen) yet he himself was not even bonded. So again, he had refused. Chairman Michael Gonzalez said that you are obstructing the board from doing its job. Richard McMullen agreed with him.

At this point there was a 10-minute break.

2. Discuss potential water system grants available to the district through the New Mexico Department of Transportation-NMDOT, USDA/Rural USDA, Colonia's grant and the New Mexico Rural Waters. Seek Board member or members interested in assisting GENERAL MANAGER searching and applying for targeted grants that are desired.

It was decided we need to apply for as many grants as possible, Colonia's grant, USDA grants, etc.

3. **Discuss/Approve a voluntary local listing for citizens with medical needs which can be checked on during water outages. To include their name, physical address, phone number and e-mail address.**
 Director Tod Barker said that he would spearhead this project to locate the older the infirm and those who are disabled to come up with a list of those who would need to be checked on during water outages. Suggestions of places to place a list for sign-up would be the fire department Sierra propane in the post office.
 Vice Chairman Jules Neal motioned to start a list, Director Tod Barker second the motion, Chairman Michael Gonzalez called for a vote, Treasurer Terri Borzoni voted yes, Director Tod Barker voted yes, Director Richard McMullen voted yes, Chairman Michael Gonzalez voted yes, Vice Chairman Jules Neal voted yes. The motion passed.
4. **Discuss/Approve Authorizing Board Treasurer to obtain/complete an application for a credit card for TWSD from First National Bank in Cloudcroft.** Held over until the Meeting of the 21st of February.
5. **Discuss/Approve discontinuing use of First National Bank debit card upon approval of credit card from First National Bank.** Held over until the meeting of the 21 February.
6. **Discuss/Approve creation of Policy & Procedures for use of credit cards which will be added to the 2014 Policy and Procedures that are currently in review by the "Finance Committee".** Held over until the meeting of 21 February.
7. **Discuss/Approve Resolution 2022- 010 for Colonia's Grant letter of intent in the amount of \$300,000.00 for water improvements.**
 Secretary Sharon Vails read the resolution 2022 – 010 resolution to apply for funding from the Colonias board for the Timberon water and sanitation District that was passed approved and signed on the 7th of February, 2022. A copy of the resolution is included in the appendix of the minutes.
8. **Discuss/Approve Bohannon Huston Engineering Services Contract Amendment 6 for water system improvements. Excerpt of General Powers of the board 73-21-16 WSD Act "H.) to have the management, control and supervision of all the business and affairs of the district and the construction, installation, operation and maintenance of district improvements, and I.) to hire and retain agents, employees, engineers and attorneys;" was the amount.**
 \$300,000 was the amount of the grant of which there is \$247,000 left. The monies were used for engineering. The remaining money can be used for system improvement work that wasn't done correctly. Now we must fix the problem design flaw. Mr. Clark will be overseeing and assisting providing oversight trying to help us keep costs down. Arden Shug to also help with engineering. Director Richard McMullen motion to approve this funding, Vice Chairman Jules Neal second the motion. Chairman Michael Gonzalez calls for the vote. Treasurer Terri Borzoni votes yes, Vice Chairman Jules votes yes, Director Tod Barker votes yes, Director Richard McMullen votes yes, Chairman Michael Gonzalez votes yes, motion to approve passed.
9. **Discuss/Approve Granite Mountain Accounting to conduct all training of the new hire for the bookkeeping position in conjunction with the General Manager.**
 Training to be done by the treasurer, the General Manager and the accounting firm; they will be teaching the new hire minimize issues within the accounting system not teaching old problems to a new trainee. General Manager: so basically, I say "Amy go home" and Granite Mountains going to show the new employee where all the paperwork and the files are? Granite Mountain is going to do primary training? I would rather have them (new employee) acclimated to the office and where everything is, our procedures; our procedures for dealing with USDA grants and loans, and DFA and then have a Granite Mountain come in and add to training. Chairman Michael Gonzalez says: I don't want the old procedures and bad processes passed on by current employees. We don't even have a structure and procedures for training in place. Granite Mountain are accountants and accountants have procedures that they can pass on to fellow accountants anywhere.

General Manager: but I would rather have our ways taught, our ways have been established over 30 years. Before having granite Mountain come in and end up having it go sideways making major errors before they even learn our system. I want our people training the employees first.

Director Richard McMullen jumps in and says that accounting firm made an \$18,000 error. Chairman Michael Gonzalez tells Director Richard McMullen he is out of order. General Manager says he wants the transition made easier without any major mistakes made by Granite Mountain yet. He basically wants Amy training the new employee for two weeks before Granite Mountains starts. Chairman Michael Gonzalez said I am not on board with that. General manager says they bring Marilyn back and have her train the new employee. Chairman Michael Gonzalez said no she's in Florida general manager said well there's phones. Granite Mountain is going to make big mistakes were going to be sorry for. The board has seen the last audit they did. I recommend against them. They're going to cost us a lot of money and do us a lot of harm.

General Manager say, so you are all fine with them costing us a lot of money? Chairman Michael Gonzalez: what basis do you have for saying that? General Manager we have a unique way of doing things and they don't understand our way of doing it. Granite Mountain does not represent any water districts they don't understand how we do things here. He argues repeatedly that they don't have any experience with a water district.

Director Richard McMullen said again brings up that Granite Mountain made an \$18,000 mistake, because they don't understand our system, but that the mistake was discovered by TWSD personnel, not by Granite Mountain.

General Manager again says he does not want Granite Mountain being the solo trainer of the new employee. Chairman Michael Gonzalez states that General Manager can teach office procedures and Treasurer Terri Borzoni and Granite Mountain will work together to teach the bookkeeping clerk the necessary work that they will be doing. Granite Mountain will be teaching QuickBooks and accounting procedures. Again, General Manager says he does not like this and is dead set against it.

Treasurer Terri Borzoni moves that Granite Mountain and the General Manager to do all the training, Vice Chairman Jules seconds the motion. Chairman Michael Gonzalez calls for the vote, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Director Tod Barker votes yes, Director Richard McMullen votes no, Chairman Michael Gonzalez votes yes, the motion is passed.

10. Discuss/Give direction for follow on actions to the General Manager on letter received from Martha Mulvihill dated January 18, 2022 for past due standby fees.

The feelings of the board are that if we forgive fees for one, we will have to forgive fees for all and that sets a precedent that we can't start. After some discussion it is decided that the General Manager will call her and work out very generous repayment plan with her. Vice Chairman Jules Neal makes a motion for a generous repayment plan, Treasurer Terri Borzoni seconds the motion, Chairman Michael Gonzalez calls for a vote, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Director Tod Barker votes yes, Director Richard McMullen votes yes, Chairman Michael Gonzalez votes yes, the motion is passed

11. Discuss/Approve sending quick book files to be rebuilt by Granite Mountain Accounting to correct accounting errors. Example: restructure and properly identify line items.

Breakdown categories to be more item specific journal entries. Line item entries to clarify the system the items being purchased are assigned to. Director Richard McMullen said that he could not accept this until he sees exactly what line items and what entries we are talking about. Treasurer Terri Borzoni motions to allow Granite Mountain to correct accounting errors and rebuild QuickBooks, Vice Chairman Jules seconds the motion, Chairman Michael Gonzalez calls for a vote, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Director Tod Barker votes yes, Director Richard McMullen votes no, Chairman Michael Gonzalez votes yes, the motion is passed.

12. Discuss/Approve new requests for residential water line extension(s) with cost structure reviewed.

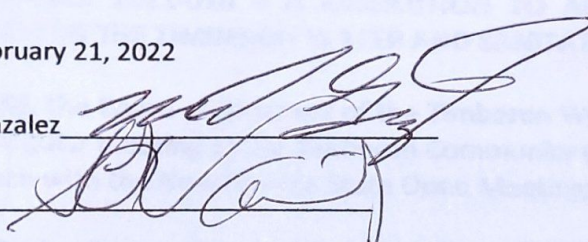
Move to the next meeting of 21 February General Manager gave an example of 2 requests, one on Shallow Creek Rd for 1730 feet of line at a cost of \$17300 creating 23 standby lots, another 300 feet on Tuna at a cost of \$3000 creating 5 standby lots.

Director Richard McMullen motioned to adjourn the meeting, Vice Chairman Jules Neal seconded the motion, Chairman Michael Gonzalez called for the vote, Treasurer Terri Borzoni votes yes, Vice Chairman Jules Neal votes yes, Director Tod Barker votes yes, Director Richard McMullen votes yes, Chairman Michael Gonzalez votes yes, meeting adjourned at 10:40 P.M.

Minutes approved February 21, 2022

Chairman Michael Gonzalez

Secretary Sharon Vails

Handwritten signatures of Michael Gonzalez and Sharon Vails, written over horizontal lines.

[Faint, illegible text from the reverse side of the page, including a circular seal on the left and various lines of text.]

BOARD OF DIRECTORS OF THE
TIMBERON WATER AND SANITATION DISTRICT
PO BOX 40/ONE BOB WHITE CIRCLE
TIMBERON, NEW MEXICO 88350
(575) 987-2250/TIMBERONWATER.COM

RESOLUTION NUMBER 2022-010 – A RESOLUTION TO APPLY FOR FUNDING FROM THE COLONIAS BOARD FOR THE TIMBERON WATER AND SANITATION DISTRICT

WHEREAS, the Board of Directors of the Timberon Water and Sanitation District met in an open session regular meeting at the Timberon Community Center on the 07th day of February 2022 in compliance with the New Mexico State Open Meetings Act; and

WHEREAS, the Board of Directors of the Timberon Water and Sanitation District that accept Colonias funds must adopt certain required federal and state regulations; and

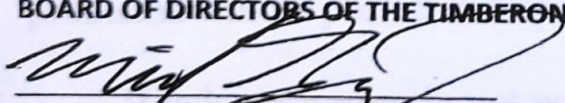
WHEREAS, the Board of Directors of the Timberon Water and Sanitation District wishes to ensure compliance with federal and state regulations by applying for funding and allocating funds for the loan component and both Cash and In-Kind match portion of the 2022 Colonias Application for \$300,000.00:

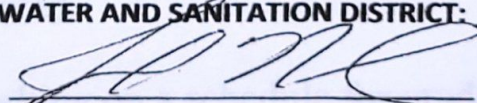
WHEREAS, the Timberon Water and Sanitation District is experiencing an overall eighty (80%) water loss in the distribution and supply system.

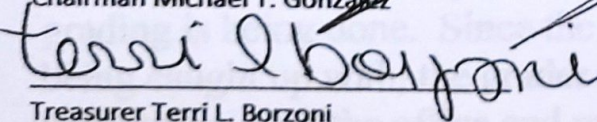
NOW, THEREFORE, BE IT RESOLVED, that the Grantee is applying for funding and allocates loan component repayment for the \$30,000.00 loan component from the Capital Projects Construction Fund. The funding to be used for the repair/replacement of the failing water distribution lines.

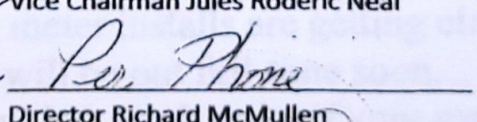
PASSED, APPROVED, SIGNED AND ADOPTED at a duly called and convened regular meeting of the governing body of the Board of Directors of the Timberon Water and Sanitation District this 07th day of February, 2022.

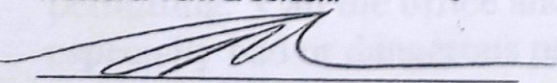
BOARD OF DIRECTORS OF THE TIMBERON WATER AND SANITATION DISTRICT:

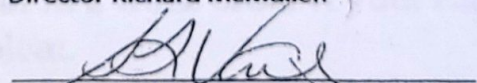

Chairman Michael T. Gonzalez


Vice Chairman Jules Roderic Neal


Treasurer Terri L. Borzoni


Director Richard McMullen


Director


Attest: Secretary Sharon Vails

Manager's Report 02/07/22

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Board of Directors Meeting Dates: January 17, 2022

Timberon Water and Sanitation District Monthly Treasurers Report

Reconciled balances as of December 31, 2021

Operational Checking Account: \$68,014.20

Water Standby Savings Account: \$6,459.76

Water Asset Management Restricted Reserve Account: \$84,038.62
Transferred \$2,304.00 from past due Standby accounts.

Facilities and Services Savings Account: \$234,227.74

USDA Debt Service Savings Account: \$7,840.40

USDA Short Term Asset Repl. Savings Account: \$164,062.93

USDA Construction Loan Account: \$853.67

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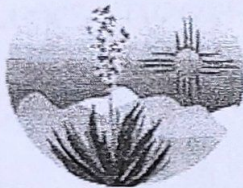
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Please let me know if you have any questions.

Laura Whiteside

Otero County Treasurer
1104 N. White Sands Blvd. Suite A
Alamogordo, NM 88310
575-437-2030



COUNTY OF
OTERO
NEW MEXICO

Next Finance committee meeting will be
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Water Advisory Committee Feb. 7, 2022

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Golf course well to Treatment plant line:

Attended meeting with BHI to set priority and to discuss their recommended additions.

It was agreed that BHI should complete the engineering and if necessary TWSD would do the

Trenching and pipe installation to stay within the budget. Consensus golf course is priority. 50' sections at a time Survey work lines hugging sides of a road, down to proper depth.