

REGULAR MEETING MINUTES
Board of Directors of Timberon Water and Sanitation District
Tuesday, August 22, 2023, at 4:00 P.M.
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

The meeting was called to order at 4:00 PM by Chairman David Cruey.

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

Chairman David Cruey, Vice Chair Mark Harding, Treasurer Terri Borzoni, and Director Jess Radle were present. Director Paul Hagemann attended via phone.

APPROVAL OF AGENDA

Vice Chair Harding had a change to the agenda, under Old Business – item #2 Discuss Emergency Declaration from New Mexico Governor – they have not responded to our request yet, and we are still working on that. Vice Chair Harding made a motion to table item #2 until a later meeting. Director Radle seconded. A vote was taken. All voted in favor, none opposed. The motion carried.

Vice Chair Harding made a motion to approve the agenda as amended. Director Radle seconded. A vote was taken. All voted in favor, none opposed. The motion carried.

MANAGER'S REPORT

The guys are working on a new meter install today, they got to break in the new hydraulic hammer for the rock shelf up on Loghouse Dr. Two new meter installs are pending. In the last 30 days the crews repaired 19 blowouts and we have 4 water leaks pending, waiting on locates.

The crew completed 6 road repair grading requests in the last month. I just wanted to give people an idea of what it takes to operate the equipment here. When the crew goes out to do road repair, it generally requires the grader, a dump truck, a backhoe and sometimes a water truck plus two employees. I got some hourly rates for what it costs the district to operate this equipment: the backhoe costs \$98.00/hr., the road grader \$167.00/hr., the dump truck \$74.00/hr., the water truck \$37.00/hr., the dozer is \$125.00/hr. The pickup trucks cost is about \$28.00/hr. The average road repair costs a little over \$1,500 per road overall including equipment and wages. So last month we did 6 roads - it cost around \$9,500. Road repair is paid for using the F&S fees.

We caught one unauthorized user of water this month. Not sure how we are going to handle that but there is a \$500.00 charge for people that bypass the billing system for water use. The thing about this particular one is that the person in question, their meter has been turned off for the last 19 months but whenever they come up their neighbor has been turning their water on for them because the person that has been using the water without authorization does not want to pay the monthly water charge, and does not want to pay the reconnect and disconnect charge. The district has lost nearly \$1,900.00 in base rates over that time period, plus the reconnect and disconnect charges. This means that everyone else in Timberon who pays their share is supporting those who don't. The district has locked the meter. Moving on from that, the crews (Travis and Chris) have replaced over 500 feet of 4-inch HDPE on Timber Dr. They still have 2,300 feet to go.

Chairman Cruey asked if there were any questions about the Managers Report. Audience member Clark asked about the status of the line from the golf course well up to the plant. Vice Chair Harding answered - they were up to Pawhuska and they have 2 excavators up there now so hopefully they can speed up the trenching a little bit.

Regarding the unauthorized use, an audience member inquired whether law enforcement could be involved since utility theft is a crime. Vice Chair Harding agreed that law enforcement would definitely be involved, and in the last year we have caught maybe 10 people. There was some more discussion about water theft and the consequences both for the customer and for the rest of the community.

TREASURER'S REPORT

Treasurer Borzoni reported that we had a wonderful week, lots of payments (F&S) came in and are being processed. There is \$16,412.98 in the Standby account. \$166,761.65 to cover one of our loans. \$7,924.80 in the mystery reserve account. \$80,420.87 in the operations account. \$1,068.80 in the USDA loan account. Our savings account is \$85,956.25. Our F&S account is \$18,226.10. So, we are doing well for this time of year. I did give one of the board members a copy of a report of what we are spending our money on, and anybody in the community is welcome to come by the office, ask a question, ask about a report, request a copy of that report, and we will be more than happy to share that information.

An audience member asked about USDA loans, and there was some discussion about availability of the various loans and grants.

OLD BUSINESS:

1. Discuss / Approve replacement of TWSD water attorney Jeff Allbright

Vice Chair Harding noted that after our PRC hearings, Jeff Allbright retired. We need to get another water attorney to help us through the upcoming PRC requirements. Our general council, the Rodey firm, does have a PRC attorney that could be available to us.

Director Hagemann made a motion to bring attorney Sunny Nixon on board as our water attorney. Jess Radle seconded. A vote was called. All voted yes, none opposed. The motion carried.

2. Discuss Emergency Declaration from New Mexico Governor

(Tabled per the amended agenda).

3. Discuss / Approve change to F&S Fee Resolution

There was some discussion about how the F&S fees can be spent. The previous resolution was read and reviewed. Treasurer Borzoni requested more information about the F&S fees before a change is made. Director Hagemann made a motion to table this discussion pending more information. Director Radle seconded the motion. A vote was called. All voted yes, none opposed. The motion to table the issue carried.

4. Discuss sales of Metered Untreated water

There was some discussion about selling unchlorinated water to local residents for use of growing crops. It was noted that we do already have a rate in our water rules for untreated water and any change to this rate is going to have to be presented to the PRC for approval. Director Hagemann and Director Radle will work on investigating this and coming up with a plan to sell untreated water. Director Hagemann made a motion to table this issue while they gathered more information. Director Radle seconded the motion. A vote was taken. All voted yes, none opposed.

NEW BUSINESS

1. First Reading of Amendment of TWSD Bylaws Article 3 (3.03) shall read as follows:

“No person shall become a candidate in a regular local election unless the person physically resides within the boundaries of the district, or districted area in which the person desires to be elected or to represent, and the person’s record of voter registration shows that the person is both a qualified elector of the state and was registered to vote in the area to be elected to represent on the date the proclamation calling a local election is filed in the office of the Secretary of State.”

Vice Chair Harding read the current bylaws.

Vice Chair Harding read the Amendment of the Bylaws Article 3 (3.03)

Chairman Cruey acknowledged that the First Reading of the amended bylaws had been accomplished.

2. Discuss / Approve TWSD Standby Lien Foreclosure policy.

Treasurer Borzoni reiterated that we are being instructed by the PRC to collect delinquent Standby fees and to begin foreclosing on properties that remain delinquent. Chairman Cruey agreed that we need to move forward on this to comply with the PRC order. Vice Chair Harding recommended that we have our attorney advise us before sending out any foreclosure letter to be sure our actions comply with New Mexico real estate policies. Director Radle was able to give some insight into NM real estate policies. Audience member Arden Schug suggested that we include a note about the order from the PRC in the letter. Chairman Cruey agreed and framed the wording as: “The PRC has required us to take this action moving forward because it jeopardizes the integrity of the Water District.”

Vice Chair Harding made a motion to table this discussion pending further information and advice from our attorney. Director Hagemann seconded. A vote was called. All voted yes, none opposed. The motion carried.

3. Discuss PRC Advice Notice 18 and 19.

Vice Chair Harding reviewed the conditions that the PRC placed on the District concerning the interim rate increase and the deadlines for compliance. The deadlines are critical to the finalization of the rate increase. The Cost Of Service Study is one of the conditions and we are having a difficult time finding anybody to do that study, it has been sent out to several firms with no results. Condition #2 interim rates terminate on January 1st, 2024, if permanent rates aren’t filed, or we can ask for an extension of the deadline. Condition #3 if the permanent rates aren’t filed, TWSD must refund the difference with interest. Condition #4 All monies collected must be used for water operations only, but this does include road repair caused by water line repair. Condition #5 includes Standby fees which were not addressed in the increase, therefore does not apply. Condition #6 An engineering report had to be filed in 90 days (this has already been filed and accepted by the PRC). Condition #7 A collections plan statement (this statement has already been filed and accepted by the PRC). Condition #8 A report stating the aged receivables, collected amount, and the same report for Timberon non-Standby customers. A brief description of customer complaints and the resolutions of those complaints.

DIRECTORS REMARKS

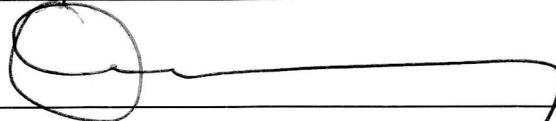
Chairman Cruey complimented acting General Manager Mark Harding on the job he is doing for the District, shouldering a tremendous amount of responsibility. He noted that if the water district fails, all of our property values plummet so it is in everybody’s interest to be sure the District succeeds.

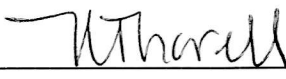
Vice Chair Harding noted that we are getting a delivery of asphalt next week in conjunction with General Hydronics, and it will be used to repair the damage on Sacramento from water line repairs.

Treasurer Borzoni made a motion to adjourn. Director Radle seconded. A vote was taken. All voted yes, none opposed. The motion to adjourn carried.

The meeting was adjourned at 5:40 PM

Approved September 12, 2023

Chairman  David Coney

Secretary  Nanette Thorell

(SEAL)

