

**MINUTES OF THE NOVEMBER 17, 2018 REGULAR SESSION MEETING**  
**OF THE TWSD BOARD OF DIRECTORS**

Attending the meeting were Treasurer Lester "Brent" Henderson, Directors Michael Gonzalez and Clark Clement. Chairman Joseph Mainello and Vice Chairman Richard McMullen were absent. There being a quorum present, the meeting was called to order by Treasurer Lester "Brent" Henderson at approximately 10:00 AM. The meeting was being conducted by Treasurer Brent Henderson.

Saluting of the flags was accomplished.

**Approval of Agenda:** Director Gonzalez moved to approve the agenda as written. Director Clement seconded. There being no discussion, the vote was called. Acting Chairman Henderson, Directors Gonzalez and Clement voted aye. The motion passed.

**Old Business.**

General Manager's Report. General Manager, Ronald Wyatt, gave his report.

The Master Plan is moving forward and should be with the engineering group on Monday. GM suggested that with left over funding from the grant that 2 technicians should be hired at a cost of \$19,000.00 to locate water leaks. It has been determined that there is 100 miles of water pipe. It was stated that there is a 50% loss. The manager of Rural Water should be in Timberon the first week of December.

The Springs Project is being reviewed for the third time, should be done within the next 30-45 days; the project has to be completed by June 2019.

The Emergency Response Plan is approved by NM Environment Department.

Bohannon Huston Inc. is the engineering company and needs approval by the Board with a cost of \$55,871.00.

There will be a phone conference with Steven Deal on Wednesday.

Working on the Infrastructure Capital Improvement Plan. We need \$500,000.00 for pipe replacement. Carmen Morin, with the State said we have 2 weeks to get the corrections submitted. Looking at getting a loan for the \$500,000.00 from the USDA at 10-10% interest.

The inspection on the Lodge has been completed and the recommendations were made. George Corder quoted concrete replacement would be \$15,000-25,000.00, for just the concrete. Mr. Corder asked if the project would be considered commercial.

The filtration system is almost ready to start. An autopsy needs to be performed on the filters. The cost is between \$3,500-3,800.00 for one filter to be sent off. The money for this project should be available in December of 2018. It will take 2-3 weeks for the company to have a finding and be able to tell how long the filter will last; this company will also be able to sell the chemicals to clean the filters. Approximate cost for new filters is \$18,000.00. The current filters have been in place for 3 years, have an expected life cycle of 3-5 years.

Members of the Board visited the water treatment facility and made suggestions. Acting Chairman Henderson stated he was impressed. An employee of the TWSD found a leak this morning and estimated the water loss being 10,000 gallons. Director Gonzalez asked if the contractor gave any type of scope of work. The GM stated, no. Director Gonzalez asked if grant money would be used for the leak detection proposal of \$19,00.00. GM stated, yes.

**Treasurer's Report.** Treasurer Henderson read the reconciled bank balances as of October 31, 2018: Checking Account \$65,305.31; Water Standby Savings Account \$10,948.78; Water Restricted Reserve Account \$34,927.53; Facilities and Services Savings Account \$130,507.19; USDA Debt Service Savings Account \$4,633.20; USDA Short Term Assed Repl Savings Account \$75,380.88; USDA Construction Loan Account \$848.54; First National Construction \$50.00.

### **Committee Reports.**

Budget Committee. Acting Chairman Henderson is exploring and collecting information on how much it would cost to take electronic payments. He stated he will deliver more information as it comes available; he is working to modernize the system.

By-Laws Committee. None to report.

Water Rules Committee. None to report.

Safety Committee: John Weaver felt there was not enough people available this month. Joe Bob Shields said he could be available; John and Joe Bob plan to meet Monday.

Inspection Committee: Director Clement stated the inspection of the Lodge resulted in a 48 page report. There were a lot of items that were relevant to safety. Two more inspections need to be done. The committee is looking into estimates for small portions of the repair; they are also looking into making the Lodge ADA compliant. The bar will be a separate inspection.

Discuss/approve Darden & Taylor Quick Claim. Linda Martin stated the property owner owns 4 properties and wants to give one of the properties to TWSD as payment for past due bills. He currently owes \$3,000.00 and states the property is worth \$8,000.00. GM stated we should not approve the Quitclaim deed, there is a discrepancy between how much the County Assessor states the property is worth and how much the property owner claims. Director Clement stated he has not seen any property worth \$8,000.00 around here, and agrees to not approve. Director Gonzalez states he admires the property owners creative efforts to pay; agrees not to approve and that there should be set procedures to handle this in the future. Acting Chairman Henderson also agrees not to approve; this could open pandora's box. Linda M. asked if this issue could be turned back over to the office to send a letter to the property owner that their offer was not accepted. There was much discussion. The Board agreed to put this issue on December's Work Session meeting to move to approve/disapprove request.

Discuss potential restructuring of rate-setting to include an automatic annual adjustment to account for inflation and rising costs of doing business. Acting Chairman Henderson suggested that it would be a good practice to have an automatic adjustment rate increases each year, due to general inflation. It would be better to have small increases each year than hitting members with a big adjustment all at once. Acting Chairman Henderson will speak with Pat Lyons to get more information on starting this

arrangement and will distribute the information to the Board when received. He also wants to discuss this with the rate payers before moving forward. Audience member, Noreen Gonzalez, asked if the Board could come up with figures on how much a 2-3% increase would cost the community. Acting Chairman Henderson stated that would be a great idea, let's do this in December. GM stated that the State will approve a 3% increase without giving out any notice, this should be moved forward. Director Gonzalez stated they should move slower and get community feedback and let the community feel like they are involved in the decision making process. He also stated we needed to show the community we are being good stewards with the money they do have. Director Clement stated we need to provide the public where we stand and let them know what the needs are, put the whole picture out there. Acting Chairman Henderson agreed, this process should move slowly.

Discuss/approve PER (Master Plan) contract. They had a phone call on Wednesday with Steven Deal, they received much clarification on how to transition from the PER to the design phase. It was agreed to stay with Bohannon Huston Inc. through the whole process. GM stated the left over money should be used for leak detection and replacing parts of the line that are leaking the most. There was much discussion. Director Gonzalez made a motion to approve and sign the Master Plan contract written by Bohannon Huston Inc. Director Clement seconded the motion. Acting Chairman Henderson can sign the contract, the vote was called. Acting Chairman Henderson, Directors Gonzalez and Clement voted aye. The motion was passed.

Review and modify as needed the "Infrastructure Capital Improvement Plan" for FY 2020-2024. GM stated they are trying to sneak in a grant for \$500,000.00 to replace old pipes. He stated he spoke with Hubert Quintana, and everything needed to be turned in by Tuesday. There was no way this could be done. Mr. Deal will not authorize us to use the black pipe they currently have due to it being exposed to the sun. GM also made a call to the USDA to request a \$500,000.00 loan immediately with 0% interest. They are trying to get it approved as low as possible. There was much discussion. GM asked the Board if he should keep pursuing the USDA loan. The Board agreed to keep pursuing and see what can be done by other sources. Director Clement stated it was better to break the costs down in smaller increments for a better chance of getting funded. Director Gonzalez stated we have made progress but we have challenges. We do not have a preventative maintenance program to fix these leaks. We need to start making small progress to start the line replacement. Director Clement asked the GM if he thought the item should be moved to item #1. The GM said that Mr. Quintana said we should start calling the State Representatives to start getting their approvals. GM agreed the item should be moved to #1, but was not sure there was time to move it. Acting Chairman Henderson stated that we have to deliver safe drinking water to a lot of people, we need a system that has integrity. Water is the #1 thing with the State, it is directly related to the health of the people. Director Gonzalez read the ICIP. There was much discussion. Director Gonzalez made a motion that we rank the #1 ranking of the ICIP list to phase replacement of approximately 100 miles of potable water due to water line deprecating and failing, phased increment grants of \$500,000.00 for the 2020-2024 timeframe. Director Clement seconded. Acting Chairman Henderson, Director Gonzalez and Clement voted aye. The motion was passed.

### **New Business.**

Approval of the November 13, 2018 Work Session Meeting Minutes. Director Clement moved to approve the minutes as written and dispense with the reading. Director Gonzalez seconded. Acting Chairman Henderson, Directors Gonzalez and Clement voted aye. The motion passed.

Discuss what firm to hire to locate water leaks and what type of technology and equipment they use to find the water leaks. GM stated Rural Water Association, the manager will be here the 1<sup>st</sup> week of December and will do a walk-through at this time. The money will come out of the grant.

Discuss use of Actions Items list. Director Gonzalez stated there was one item left on the list. The item is the uneven concrete, which was covered in the infrastructure, the deadline date can be moved. Director Gonzales asked what would be the best way to populate the Action List and what does the Board suggest. Director Clement stated he hit the nail on the head, one person needs to be assigned so it is not dropped by the wayside. Assign someone to be in charge. Acting Chairman Henderson stated all issuers end up with actions. The Action List should start with the Board to let it mature. There was much discussion. Director Gonzalez stated they should have a standing agenda item at each meeting to discuss the Action Items. There could also be a procedure written, and he will do the draft and present it to the Board with general guidelines for review.

#### **Directors' Remarks.**

Director Clement wished more people would have shown up, this is where you should get all your input. He thanked everyone that did show up and said we are making progress.

Director Gonzalez thanked everyone, it does feel good to make progress. He also talked about the Country's failing infrastructure. With our water system if we let it go over time the risks will just mound up on us.

Acting Chairman Henderson thanked everyone that had come and please encourage other to come. The system of government only works with input to improve our organization and goal by delivering safe drinking water.

Director Gonzalez moved to adjourn the meeting and Director Clement seconded. Acting Chairman Henderson, Directors Gonzalez and Clement voted aye, and the meeting was adjourned.

#### **Minutes Approved December 11, 2018:**

**Secretary Amy Fierro** \_\_\_\_\_

**Chairman Joseph Mainello** \_\_\_\_\_