

MINUTES - REGULAR MEETING
Board of Directors of Timberon Water and Sanitation District
Tuesday April 14, 2026 at 5:00 pm
Timberon Community Center, "Lodge"
1 Bobwhite Circle, Timberon, NM 88350

Authorized by Otis Price, Chairman of the Board of Directors, Timberon Water & Sanitation District.

CALL TO ORDER

Chairman Otis Price called the meeting to order at 5:00 PM.

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

Board members present: Chairman Otis Price, Vice Chair Caleb Flora, Treasurer Joshua McCurdy, Director Jesse "JJ" Duckett, Director Derenda Robb.

A quorum was achieved.

Staff present: General Manager Wendy Case, Board Secretary Nanette Thorell

APPROVAL OF AGENDA

Chairman Price recommended that New Business items 2 and 3, Resolution No. 2025/2026-003 and Resolution No. 2025/2026-004, be stricken from the current agenda and tabled to a future meeting pending receipt of outstanding information. Chairman Price noted that the District intends to proceed with both grant applications; however, submission will be delayed. The resolutions in question pertain to grant funding for the replacement of Tank 3 and the Water Bladder at the springs.

Treasurer McCurdy moved to approve the agenda with New Business items 2 and 3 tabled to a future meeting. Vice Chairman Flora seconded the motion. Upon call of the vote, all members present voted in favor and none opposed. The motion carried unanimously.

MANAGER REPORT

General Manager Case presented her monthly report. Water production for the preceding month totaled 5,977,470 gallons, with 1,075,228 gallons sold, resulting in a water loss rate of 82%. Staff completed repairs on more than 40 leaks during the reporting period. Outstanding delinquent balances are as follows: Facilities & Services bills, \$1,065,000; Standby bills, \$670,370; and Water bills, \$81,334.

GM Case reported that the QuickBooks conversion is nearing completion in compliance with Department of Finance and Administration (DFA) requirements. Regarding billing software, GM Case advised that efforts are ongoing to obtain a refund for the UB Max software, which is becoming incompatible with the District's system and is expected to cease functioning in the near future. A demonstration of a replacement software product was conducted, and GM Case noted it interfaces well with the District's meter reader. A meeting is scheduled with the vendor to obtain pricing. The proposed software offers improved communication capabilities with field staff and residents, as well as more efficient management of customers with multiple properties and accounts.

I&C reported that generator projects at the tanks are nearly complete, with the exception of the electrical plug installation. GM Case also reported that Water Operator Shields has begun training toward completion of his Level 2 certification.

Director Inquiries During Manager Report

Director Robb inquired regarding contributions to the Emergency Fund. GM Case responded that she and Treasurer McCurdy have determined that 5% of Standby fees received will be allocated to the Emergency Fund. She noted that this process will commence when the QuickBooks/DFA transition is completed.

Director Duckett inquired regarding the status of the community pool. Timberon Development Council (TDC) member and Pool Manager Cathie addressed the Board, advising that the TDC had not yet hired lifeguards due to a rumor that TWSD would not open the pool for the current season. GM Case clarified that no decision regarding pool closure has been made. The Board briefly discussed a reported structural concern involving a void beneath the pool. Director Duckett requested that a pool status update be added to the Action Items list. Secretary Thorell recorded the item accordingly.

Director Duckett further inquired whether the newly hired part-time grader operator is classified as an hourly employee or a contract worker. GM Case confirmed the individual is a contract worker. Director Duckett requested that a review of the grader operator contract be added to the Action Items list. Secretary Thorell recorded the item accordingly.

TREASURER REPORT

Director McCurdy read the bank balances:

F&S \$63,175.92

Operations \$68,333.23

USDA accounts: Construction Loan Pass Through \$845.95; Debt Service \$993.46; Short Term Asset Replacement \$167,472.43

Water Restricted Reserves \$155.92

Water Standby \$134,324.75

WATER ADVISORY COMMITTEE REPORT

Water Advisory Committee representative Arden Schug presented the following report:

1. Mr. Schug recommended the purchase of a new poly tank to serve as a temporary replacement for the tank currently on loan from the Timberon Volunteer Fire Department (TVFD), to remain in service until a permanent metal tank can be installed. Per Matt at Bohanan/Huston, the projected 10,000-gallon metal tank has an estimated lead time of approximately one year. The estimated delivered cost is \$13,100.
2. Fire Chief McWilliams has requested increased water supply capacity for fire suppression purposes. The recommendation is to connect the fire hydrant to a 6-inch line to meet this need.
3. Regarding the T-Box well, Mr. Schug recommended reconnecting the line to the Golf Course well, then routing it via a 6-inch line to the treatment plant.
4. Mr. Schug advised that the Tank 3 SCADA system is not functioning properly and requires repair. He further noted that several areas within the District are not covered by flow meters. The estimated cost for each item is \$35,000.
5. Mr. Schug stated that a dedicated line from the treatment plant to Tank 2 is necessary and that the District needs to determine the appropriate method of installation.
6. Mr. Schug advised that additional instrumentation is needed throughout the system. He described several devices under consideration, including a Dixon device to address pressure hammering within the system. He also recommended the purchase of a rotary graph to monitor and plot system pressure over time, at an approximate cost of \$750 per unit.
7. Mr. Schug recommended the installation of HDPE pipe on Hoover Street at the back end of the system to provide adequate pressure to serve the area near the back gate.

8. Mr. Schug reported that little to no water is currently being obtained from the springs. He recommended implementation of a filter system to be overseen by a Level 4 operator in order to restore that water source. He further advised that a dedicated water system manager is needed.

Mr. Schug reminded those in attendance that the Water Advisory Committee meets every Wednesday at 1:30 p.m. in the small conference room and encouraged members of the public to attend.

OLD BUSINESS:

1. Discuss and Approve the minutes of the March 10th Regular Meeting.

There was no discussion. Treasurer McCurdy moved to approve the minutes of the March 10th Regular Meeting as written. Director Robb seconded the motion. A vote was called. All voted in favor, none opposed and the motion carried unanimously.

NEW BUSINESS

1. Community Member Bill Eakes to present possible solutions for issues related to: (a) Municipal Gross Receipts Tax, (b) Water Theft, (c) Utility Liens, (d) TWSD Responsibility Reorganization, and (e) New Mexico Municipal League.

Municipal Gross Receipts Tax: Mr. Eakes recommended that the District explore initiating a Gross Receipts Tax applicable to property sales and short-term rentals, such as Airbnb properties. He estimated this measure could generate approximately \$40,000 to \$50,000 in additional annual revenue.

New Mexico Municipal League: Mr. Eakes recommended that TWSD pursue membership in the New Mexico Municipal League (NMML). He advised that membership could reduce demands on the General Manager, thereby allowing GM Case to devote greater attention to water system issues. He noted that the NMML offers member benefits including procurement discounts, reduced insurance costs, grant consultation services, and legislative advocacy on behalf of member entities. The annual membership cost is \$1,000.

Water Theft: Mr. Eakes recommended that the District pursue stronger legal remedies and consequences for water theft.

Liens: Mr. Eakes recommended that the District pursue liens on approximately \$1.8 million in past-due accounts. Chairman Price noted for the record that the District currently places liens on delinquent metered water and standby properties, and that staff is actively working toward a solution for the collection of delinquent Facilities and Services (F&S) fees.

2. Action Item: Adoption of ADVICE NOTICE NUMBER 22 Revised Water Rules per PRC Order (Harding-Shockley Complaint).

Chairman Price summarized the advice notice (attached) and read the list of corrective actions from our attorney in order to satisfy the Harding/Shockley Complaint which included the following:

1. Admitting Violation of Rule 21 and paying a \$100 penalty.
2. Ceasing issuance of any bills with handwritten notations.
3. Filing an advice notice amending Rate 1, and Rule 21.
4. Crediting Mark Harding his \$0.47 cents he was overcharged.
5. Auditing and correcting every bill estimation since 6/30/24.

Next the board of directors need to approve the attached rules to comply with numbers 2 and 3 above. The rules that have been revised are Rule 2, Rule 5 and Rule 21. A summary of the changes that have been made to comply with the December 18, 2025 order from the PRC:

Rule 2: This rule now includes the definition of "Force Majeure" that TWSD will use in the future to determine whether something is a force majeure event. This was a contention in the case that Mark Harding brought, and now it will be defined for TWSD in the future. The definitions have also all been rearranged to be in alphabetical order to comply with standard convention and the New Mexico Administrative Code.

Rule 5: This rule now includes the language "When rendering a bill the District shall not use handwritten notations." This is directly tied to #2 above and ensures that future boards and future administrations will know of this order even if they don't read through the history of PRC cases.

Rule 21: This rule is now clarified as to when estimates may be used in lieu of actual collected data. The prior language was unclear and grouped "unforeseen circumstances" with "force majeure" which implied that all unforeseen circumstances HAD to be force majeure events. This makes it clear that BOTH "reasonably unforeseeable circumstances to maintain the timeliness of rendering bills for the billing period" or "other force majeure conditions" are viable reasons, along with the other reasons that previously existed. Additionally, a clerical error in paragraph "B" was replaced. It used to say "with" and should have said "without" and that has been corrected. Additionally, paragraph "C" now makes it clear what the actual billing practice for billing estimates is. This was the main item that the PRC ordered to be corrected, and what Mark Harding complained that he didn't understand. Finally, paragraphs "D" and "E" were clarified to show what would happen in the event of an underestimate and overestimate.

As part of this process, these proposed rules have already been sent to the Staff Attorneys for the PRC for their comment and input, and they had no objections or other comment on these proposed revised rules.

In order to be compliant with the PRC and avoid penalties, the Board of Directors will adopt these revised rules as drafted at this regular board meeting and then they will be filed with the PRC on April 15, 2026.

A community member inquired as to the total cost incurred by the District as a result of the PRC complaint. Chairman Price advised that billing from legal counsel was still pending; however, he confirmed with GM Case that the total cost to the District is expected to fall in the range of \$20,000 to \$25,000.

Treasurer McCurdy moved to adopt Advice Notice Number 22 Revised Water Rules. Director Duckett seconded the motion. A roll-call vote was conducted with the following results: Chairman Price — Yes; Vice Chairman Flora — Yes; Treasurer McCurdy — Yes; Director Duckett — Yes; Director Robb — Yes. The motion carried unanimously.

3. Discuss/Approve/Disapprove the reasons for, structure, and continued use of the Action List.

Director Duckett presented the details and purpose of the Action List, emphasizing its value as a tracking tool to ensure that outstanding items are brought before the Board at each meeting and that no matters are overlooked or left unresolved. It was established that only Board members may add items to the Action List, and that the Board Secretary shall maintain the list and distribute a current copy to all Board members concurrent with the distribution of the draft agenda prior to each meeting.

Director Robb moved that the Board resume use of the Action List. Treasurer McCurdy seconded the motion. Upon call of the vote, all members present voted in favor and none opposed. The motion carried unanimously.

4. Discuss/Approve/Disapprove the office supplying the Board with a schedule calendar of important “due dates” for the District.

Director Duckett presented the details of the schedule calendar currently maintained by the General Manager, which tracks important due dates and deadlines for the District. Director Duckett recommended that a copy of the calendar be distributed to each member of the Board to ensure all Directors are informed of upcoming obligations and deadlines. GM Case expressed agreement with the recommendation.

Treasurer McCurdy moved to approve the agenda item. Director Robb seconded the motion. Upon call of the vote, all members present voted in favor and none opposed. The motion carried unanimously.

5. Discuss/Approve/Disapprove having the Level 4 Water Operator supply a report on the water system (filtration, wells, distribution, violations, etc...) for each Board meeting.

Director Duckett presented the details of the proposal to require the Level 4 Water Operator to submit a written report for each Board meeting, covering areas including filtration, wells, distribution, violations, and other relevant system matters.

Treasurer McCurdy moved to approve requiring the Level 4 Water Operator to supply a written report for each Board meeting. Vice Chairman Flora seconded the motion. Upon call of the vote, all members present voted in favor and none opposed. The motion carried unanimously.

6. Discuss/Approve/Disapprove increasing the frequency of Board meetings during the next 3 months.

The Board discussed the proposal to increase the frequency of official Board meetings. The general consensus was that revision of the current meeting schedule is unnecessary, noting that Special Meetings may be called at any time with 72 hours' notice in accordance with the Open Meetings Act. The Board acknowledged the value of keeping the community better informed regarding District projects and issues, and agreed that an informal town hall style meeting would be a productive means of community engagement, provided that a quorum of the Board is not present so as to remain in compliance with the Open Meetings Act.

Treasurer McCurdy moved to strike the agenda item proposing an increase in the frequency of official Board meetings. Director Duckett seconded the motion. Upon call of the vote, all members present voted in favor and none opposed. The motion carried unanimously.

PUBLIC COMMENT

Community member Nicole inquired as to the number of Board meetings held per month. Chairman Price advised that the District holds one Regular Meeting per month and that Special Meetings may be called as necessary.

Community member Steve inquired as to whether the Public Regulation Commission (PRC) has issued a ruling on the legality of the Facilities and Services (F&S) fee. Chairman Price advised that the F&S fee does not fall under the jurisdiction of the PRC. He further noted that litigation regarding the F&S fee has been ongoing for several years, and that the District's attorney is actively pursuing a final hearing. Chairman Price indicated that upon conclusion of the hearing, the District expects to have greater leverage in collecting past-due F&S fees.

Community member Clark requested that the Board return to the matter of the community pool, specifically inquiring as to whether the District has sufficient funds to open the pool for the current season.

The Board and community members present engaged in discussion regarding the cost of operating the pool and the benefit it provides to the Timberon community. Community member Kevin inquired as to the cost of operating the pool during the prior year. It was noted that pool operating costs for the prior year were approximately \$42,000, and that the pool has been budgeted at \$30,000 for the current year. No definitive determination regarding the opening of the pool for the current season was reached at this meeting.

DIRECTORS' REMARKS

Chairman Price informed those in attendance that a retired Otero County road grader operator has been hired on a part-time basis. Residents in need of road grading services were encouraged to contact the TWSD office, where a request form is available.

Chairman Price provided an update to the community regarding House Bill 493 (HB-493) as it pertains to grant applications. He advised that the District is now in compliance with United States Department of Agriculture (USDA) requirements. The District has submitted an application for \$120,000 in Solid Waste Improvement funding. Correspondence has been sent to Senator Heinrich and Representative Vasquez requesting Congressionally Directed Spending funds, which are federally appropriated monies. Based on the engineering report prepared by Bohanan/Huston, the District has submitted grant applications in the amounts of \$2,800,000 and \$24,150,000 respectively. Chairman Price further advised that upon approval of the most recent audit, the District will be eligible to apply for previously awarded funds.

MOTION TO ADJOURN

Treasurer McCurdy moved to adjourn the meeting. Vice Chair Flora seconded the motion. A vote was called. All voted in favor, none opposed and the meeting adjourned at 6:45 PM.

Approved May 12, 2024

Chairman Otis Price *Otis Price*

Secretary Nanette Thorell *N Thorell*

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