

MINUTES OF THE APRIL 16, 2019 WORK SESSION MEETING
OF THE TWSD BOARD OF DIRECTORS

Attending the meeting were Chairman Richard McMullen, Vice Chairman Clark Clement and Treasurer Michael Gonzalez. Directors Joe Mainello was present via the phone. Director Tash Robb was absent. There being a quorum present, the meeting was called to order by Chairman Richard McMullen at approximately 6:00 PM.

Saluting of the flags was accomplished.

Approval of Agenda: Treasurer Michael Gonzalez moved to approve the agenda as written. Vice Chairman Clark Clement seconded. There being no discussion, the vote was called. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye. The motion passed.

Old Business.

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

The State awarded two grants to the District; one for a one million gallon storage tank, and the other is \$300,000.00 for replacement of water pipe.

Rural Water Association is helping us with a problem, the filtration system has been running this whole time. The golf course well and the filtration system have been supplying all the water. Now that we have more than one source of water there should not be a shortage. We have reports that are submitted monthly. There was a violation, due to a report not being submitted on time. The Environmental Department is questioning if we have the correct filtration system. They are pleased with the quality of the water.

The Board members have been handed the information from the Attorney. The Board needs to vote on the issue.

Our existing well is still down, I spoke with the drilling company this afternoon and they are not sure what will be on their truck tomorrow.

The grant for the springs project; there was an inspection on Thursday; the only thing that is not completed is the fence around it.

The springs are producing 250 gallons per minute.

The swimming pool was opened to be cleaned. It should be opened for service by the end of May.

There has not been time to work on the Golf course; they will try to work on it this weekend.

The restaurant contract was still in discussion during the last session. Nothing has been done with it due to lack of man power. \$4,000.00 - \$5000.00 needs to be spend on it to look half way decent. The lease would be \$250.00 a month. I do not feel like this is sufficient.

Questions for the GM

Treasurer Michael Gonzalez asked what the status is on the road work repair and sidewalk repair. GM responded, it will cost approximately \$15,000.00 to repair the road. I feel like we are going to have to use cold patch to repair it. The sidewalk repair needs to be repaired by a commercial vendor and they have not gave a quote yet.

Treasurer Michael Gonzalez asked what is the current Springs flow we are receiving? GM replied, the current gallons per minute received from the Springs is 75 gallons a minute.

Audience member Terry Borzoni asked what the violation was again. GM replied, we have 10 days after the end of the month to get the report into the State. Montoya asked if we are using a shorter dumpster at the trash dump. GM replied the trash bin is given to us based on what's available. Montoya stated we need to make sure we have plenty of room for trash during the summer.

Audience member Ardin Schug asked if they realize there is a bunch of leaks at the upper lake. GM asked if it was where the Springs come down? Schug stated yes.

Audience member Noreen Gonzalez asked if the individual interested in the Restaurant understands they are responsible for the insurance? GM replied yes. Gonzalez asked if the swimming pool has been painted? GM replied, yes Johnny has completed it.

Treasurer's Report. Reconciled bank balances as of March 31, 2019: Checking Account \$41,360.09; Water Standby Savings Account \$95,337.50; Water Restricted Reserve Account \$34,959.87; Facilities and Services Savings Account \$121,814.34; USDA Debt Service Savings Account \$5,055.20; USDA Short Term Assed Repl Savings Account \$87,003.07; USDA Construction Loan Account \$849.71.

We are currently finalizing the quarterly report. The grant information is the last thing that needed to be reported. We are going to have to do a budget amendment to the current budget. We are also working on the USDA quarterly report. They are asking for the current policies the District has, which we were waiting for the policy numbers, but was received today. The insurance policy came due at an inconvenient time. We were asked to pay the whole sum of \$54,000.00, to be paid in full instead of increments. This is one of the items that pushed us over the budget.

Actual verses Budget:

Wages/overtime: Actual \$10,689.66 Budget \$3,391.00

Risk Management: Actual \$15,740.59 Budget \$13,112.00

Insurance Liability & Property: Actual \$56,219.44 Budget \$14,312.00

Repair and Maintenance: Actual \$46,395.10 Budget \$6,750.00

The conversion of UB Max will be done on April 19th.

The 2% increase will go out with the May billing.

A transfer on 02/05/2019 from F&S to checking in the amount of \$48,713.00 to cover a payment for a mower purchase from a "grant". When the "grant" refund check came in it was incorrectly deposited into the checking account instead of being deposited back in the F&S account. Transfers between accounts must be approved by a Board member and the General Manager prior to being performed. There is a policy for transfers that needs to be implemented that essentially requires the same checks and balances as the check-writing requirements.

There is a policy for transfers that needs to be implemented.

GM stated that we need to keep in mind the pipe that is down at the water plant, there is compensation that needs to be made. The previous drilling company needs to come get their pipe and we should be getting a refund.

Audience member Ardin Schug stated that the motors and pumps that were replaced on the well; do we have an itemized list on what we are doing with them? GM replied he will check with Terry and find out if the equipment as been put up.

Committee Reports.

Budget Committee: Treasurer Michael Gonzalez stated the budget committee met on April 10th. Some of the topics that were discussed were: UB Max is scheduled to be installed. They discussed savings plans on how to put back money into reserve. We are receiving \$300,000.00 from a grant to replace the water pipe. We need to forecast what money we are going to use for this project. We need to move into the phases of decision making, putting money aside for reserves.

We have an 87% water loss rate. Which seems to be accelerating. We need to start doing something to fix this.

Inspection Committee: Vice Chairman Clark Clement stated we have 2 major buildings we need to watch out for, the Lodge and the Bar. The inspections have been done on these buildings, the basement of the Lodge is in bad shape. We are still waiting on bids for the work.

New Business.

Approve March 23, 2019 Regular Session Meeting Minutes. Treasurer Michael Gonzalez moved to approve the minutes as written and dispense with the reading. Vice Chairman Clark Clement seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye. The motion passed.

Approve March 30, 2019 Emergency Session Meeting Minutes. Vice Chairman Clark Clement moved to approve the minutes as written and dispense with the reading. Treasurer Michael Gonzalez seconded.

Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye. The motion passed.

Approve Quarterly Reports to the DFA and the USDA. Tabled until Saturday.

Approve Resolution to the DFA for Quarterly Reports. Tabled until Saturday.

Discuss/Approve Contract for the Bar. GM stated they have talked with the Attorney. He had two concerns. The amount of the lease, he recommended we go up to \$300.00 and that DTI needs to take on more responsibility.

Chairman Richard McMullen stated we need to take into account what they have paid out already, He disagrees with increasing the amount.

Vice Chairman Clark Clement stated they are taking over all the utility costs and minor repairs. He disagrees with increasing the rent as well. He feels like the Bar has stepped up, they are willing to help out.

Treasurer Michael Gonzalez stated the insurance on the building is 3000.00, the lease barely covers the insurance. I feel more closely on what the Attorney has suggested but will go with what the Board suggests. It is a good thing they are offering to repair maintenance of the building

Audience member Noreen Gonzalez stated that in regard to sharing the revenue for the pro shop, you may think about doing a contract for 1 year instead of 5 years.

Audience member Ardin Schug asked what they planned on doing for the pro shop, are they going to stock it with merchandise? What are they going to do with the driving range, are they going to go pick up balls. Chairman Richard McMullen stated they have proposed that they will run the pro shop, but will not be working on the greens. Schug suggested they need a real detailed plan on their intentions before they sign a contract.

GM stated that with talking to them a couple weeks ago, there is no plans yet for the pro shop, this is going to be at their discretion what they are going to do with the pro shop.

Treasurer Michael Gonzalez asked if it would it be appropriate to make a motion that 1-2 Board members go into discussion with the Bar. Chairman Richard McMullen, it has to go on the agenda.

Set Agenda for Saturday April 20, 2019 Regular Session Meeting.

- Discuss Restaurant Contract.
- Discuss Action Item List.
- Approve Quarterly Reports to the DFA and the USDA.
- Approve Resolution to the DFA for Quarterly Reports.
- Approve Invoices from the Secretary of the Board.
- Approve Budget Adjustment Resolution.

- Discuss Contract Negotiations with DTI and Appoint Two Board Members to Contracts Negotiations with DTI.
- Discuss Legal Items (Closed Executive Session).

Directors Remarks

Treasurer Michael Gonzalez: Thank everyone for attending. I am trying to learn as much as I can about the financial health of the District, so we can start making some recommendations. I would like to start seeing the work being done on the distribution system. I do not think it is advisable to get another loan at the moment.

Vice Chairman Clark Clement: Thanks for everyone that did show up, I encourage more to come, if you don't show up you don't have anything to say.

Chairman Richard McMullen: Thank everyone for attending and for their comments. Hope everyone attends Saturday. Elections are coming up in November. You need to register as a candidate with the County Clerk in July to run for a Board position.

Director Joe Mainello: Thank the Board members for their hard work. As far as DTI, and trying to come up with a lease it, I believe it should be approached from a win/win position. If everyone can come out ahead I don't think we need to look at making money, just a good solid lease. The winners are the individuals in the District.

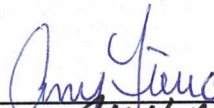
GM: like Terry stated earlier, this is the only way we are getting small stuff done, I cannot fix things if I don't know about it.

Audience member Ardin Schug stated he contacted Dell telephone and asked if we could have a reverse 911. They didn't say no, they are contacting their technical guy and they should give us feedback soon.

Vice Chairman Clark Clement moved to adjourn the meeting and Treasurer Michael Gonzalez seconded. Chairman Rick McMullen, Vice Chairman Clement, Treasurer Michael Gonzalez and Director Joe Mainello voted aye, and the meeting was adjourned.

Minutes Approved April 20, 2019:

Secretary Amy Fierro



Chairman Richard McMullen

