

MINUTES OF THE APRIL 20, 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 and Director Tash Robb. Directors Joe Mainello was present via the phone. There being a quorum present, the meeting was called to order by Chairman Richard McMullen at approximately 10:00 AM.

Saluting of the flags was accomplished.

Approval of Agenda: Treasurer Michael Gonzalez moved to approve the agenda as written. Director Tash Robb seconded. There being no discussion, the vote was called. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb 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; \$450,000.00 for a one million gallon storage tank, and \$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 report should be completed by the end of next week. They are pleased with the quality of the water.

Our existing well is still down, we are still waiting on the pipe from the drilling company

The grant for the springs project; there was an inspection last 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.

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. It could be open within the next few months.

There is an upcoming meeting with Bohannan Huston Inc. to discuss the status of the latest grants.

One thing the engineering company harped on was that we really need another big well. The cheapest new well is \$500,000.00.

The potholes are bad and they will be worked when the well is up and running.

Questions for the GM

Treasurer Michael Gonzalez asked if the report for the violation of the filtration system is complete? GM, no it is not, we are waiting for the programming to be completed.

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.

They completed the UB Max conversion, it will take a week before its up and running.

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 was a finding in the last audit, it stated that the office personnel was not familiar with the accounting policies and procedures. Treasurer Michael Gonzalez developed a binder for the office staff to follow.

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.

Next meeting will be May 8th at 1:00 PM. There may be a quorum present at the meeting. There will be a presentation by Granite Mountain Accounting. The estimated cost for service will be below \$5,000.00.

The contract has been signed to start receiving credit card payments.

Audience member Reinhart Sherman asked when the credit card payments will start? Treasurer Michael Gonzalez replied it should be within a month.

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. The Bar came out far better than they expected it to.

Discuss Restaurant Contract. GM spoke with the individual interested in the contract, they are currently discussing the “beautification” of the area. Next week, an approximate cost from TWSD on what they will be liable for will be available.

Discuss Action Item List.

- Permanent repair for uneven sections of TWSD community lodge walkway; concrete work required: we are waiting on a contractor’s bid.
- Road Repairs: they will be repaired when the well is complete.
- Medical at risk citizens to call during a water outage: they are considering using a note on the billing to identify citizens that are at risk.

Approve Quarterly Reports to the DFA and the USDA. Director Tash Robb made a motion to approve the Quarterly Report to the DFA and the USDA. Treasurer Michael Gonzalez seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Approve Resolution to the DFA for Quarterly Reports. Vice Chairman Clark Clement made a motion to approve the Resolution to the DFA for Quarterly Reports. Director Tash Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Discuss/Approve Collection of Outstanding Standby and F&S Fees. Director Joe Mainello sent out emails to the Board regarding outstanding collections that were from the previous collection agent. He feels Nanette Thorell did the bulk of the work in the collection process and would like to continue doing the collections in-house. Chairman Richard McMullen stated he agrees Nanette should do the collections, Director Tash Robb suggested that we give Nanette a 6 months trial period to see how it works out. Chairman McMullen stated that since Nanette is taking on the extra work is it possible to give her a bonus? Director Robb, I don’t think the union would approve that. GM stated he will contact the union and agreed Nanette would do an excellent job at collections. Vice Chairman Clark Clement stated he is still concerned how we are going after people that are already not paying. This is money the District really needs bad. Director Robb suggested we should take these people to small claims court. There was much discussion. Treasurer Michael Gonzalez stated if we do not do the collections in-house we will have to hire someone that is licensed in the State of New Mexico.

New Business.

Approve April 16, 2019 Work 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 Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Approve Invoices from the Secretary of the Board. Chairman Richard McMullen stated that once the Secretary of Board contract was signed by both parties, all invoices should be automatically approved for payment.

Approve Budget Adjustment Resolution. Treasurer Michael Gonzalez stated that we do not need to do an adjustment until there is a budget breach. Treasurer Michael Gonzalez made a motion to table the Budget Adjustment Resolution until there is a breach in the budget. Director Tash Robb seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Discuss Contract Negotiations with DTI and Appoint Two Board Members to Contract Negotiations with DTI. Treasurer Michael Gonzalez made a motion to appoint Chairman Richard McMullen and Vice Chairman Clark Clement to conduct contract negotiations with DTI. Vice Chairman Clark Clement seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed. The meeting will be scheduled for Tuesday April 23, 2019 at 12:00.

Discuss Legal Items.

Director Tash Robb made a motion to go into Closed Session to discuss legal items. Treasurer Michael Gonzalez seconded. There being no discussion. Chairman Richard McMullen voted aye, Vice Chairman Clark Clement voted aye, Treasurer Michael Gonzalez voted aye, Director Tash Robb voted aye. Director Joe Mainello voted aye. The motion passed.

Director Tash Robb made a motion to return to the Regular Session Meeting from the Closed Session. Vice Chairman Clark Clement seconded. There being no discussion. Chairman Richard McMullen voted aye, Vice Chairman Clark Clement voted aye, Treasurer Michael Gonzalez voted aye, Director Tash Robb voted aye. Director Joe Mainello voted aye. The motion passed.

No decisions or motions were made in Closed Session meeting in regard to legal items

Director Tash Robb made a motion to choose Option 1, in regard to the legal items. Vice Chairman Clark Clement seconded. Chairman Richard McMullen, Vice Chairman Clark Clement, Treasurer Michael Gonzalez and Directors Joe Mainello and Tash Robb voted aye. The motion passed.

Directors Remarks. None.

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

Minutes Approved May 14, 2019:

Secretary Amy Fierro

Chairman Richard McMullen

