

RESOLUTION 09/10-004

INFRASTRUCTURE MAINTENANCE CHARGE

Whereas, the Timberon Water and Sanitation District (TWSD) is a multi-purpose District established under the Water & Sanitation District Act as a governmental subdivision of the State of New Mexico in 1993; and

Whereas, TWSD is responsible for the acquisition, construction, maintenance, repair and operation of a domestic water system, 200 miles of unimproved roads, parks and recreation facilities including a nine hole golf course and recreation area, swimming pool, community center, cemetery, solid waste collection system and other purposes as permitted under New Mexico law; and

Whereas, there are approximately 9000 acres within the boundaries of the district, sub-divided into 7,676 lots. Rights to 2005 acre feet of ground and surface water are available to the district and drinking water is currently available to approximately 5,020 of the lots through an aging collection, treatment and delivery system that includes approximately 178 miles of pipe located beneath the roadways maintained by TWSD. There are currently 620 water meters installed with a majority of them servicing residences and businesses year round; and

Whereas, the District in recent years has come under significant financial stress due to a number of factors. For example, General Fund revenues depend upon a mil rate levy limitation of 10 mils to Water and Sanitation Districts. Further, the assessed value of property has not kept pace with current real estate prices, standby water charges were reduced several years ago from \$42 to \$36, and there has been no significant increase in water rates for several years; and

Whereas, the reduction in funding available for road maintenance is causing the roads to deteriorate to the point that it has increased the costs of maintaining the aging water lines as they are located almost entirely beneath and are no longer adequately protected by the roadways; and

Whereas, the General Manager's draft budget forecast for FY 2009/2010 finds that expenses will exceed revenues in the current fiscal year, particularly on the general fund side of the equation and that additional revenue must be found in order for the district to survive; and

Whereas, it is the desire of TWSD to resolve its recurring revenue shortfalls and provide better quality service to the Timberon community.

Be it therefore resolved, that the Timberon Water and Sanitation District Board of Directors proposes the creation of an infrastructure maintenance charge to supplement the standby charge. The infrastructure maintenance charge would be set at the rate of \$36 per year for all un-metered lots within the district. Approximately one third of the money would be designated for capital purchases, contracting, and engineering expenditures for water system repairs, maintenance, and improvements. The rest would be used for General Fund road and other facilities (e.g. recreation facilities) repair, maintenance, and improvement, and would be available to the water enterprise as well. Residents would be charged annually, and 2 months after billing, there will be a \$10 late fee and 6% interest assessed on unpaid charges.

Be it further resolved, that TWSD will set this matter for public hearing at a date and time in accordance with New Mexico Statute, and publish notice of this hearing as prescribed by law.

ADOPTED AND APPROVED THIS 22TH DAY OF OCTOBER, 2009.

CHAIRMAN Arden Schug_____ **For**__ **Against**__

VICE CHAIRMAN Burt Rubinowitz_____ **For**__ **Against**__

TREASURER Joe Mainello_____ **For**__ **Against**__

DIRECTOR Vigil Beagles_____ **For**__ **Against**__

DIRECTOR Pete Bowidowicz_____ **For**__ **Against**__

Attest: _____ **Secretary of the Board Charlie Ross**

Date_____