

**TYRONE WATER & WASTEWATER ASSOCIATION BOARD MEETING  
SEPTEMBER 18, 2024– 6:30 P.M. – TYRONE COMMUNITY CENTER**

**Draft Minutes**

**Website: tyronenmwater.org**

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**1. Call to order and declare a quorum – Alan Berg**

- a. Alan Berg called the meeting to order. All Board Members were present. Doug Gorthy, David Stapp and Elizabeth Gonzales attended in-person. Alan Berg and Angie Roach attended via Zoom. Alan Berg declared a quorum.

**2. Approval/disapproval of Agenda-Deletions**

- a. Alan Berg noted that Items 9 and 10 on the agenda related to an Executive Session that the Board needed to hold. Alan stated that the Audience would be asked to leave the building during the Executive Session as two Board members were attending via Zoom. Alan Berg explained that no decisions would be made during the Executive Session and that no further discussion would occur after the Executive Session.
- b. Dave Stapp moved to approve the agenda as presented. Elizabeth Gonzales seconded the motion. The agenda was approved unanimously.

**3. Approval/disapproval of minutes of the August 21, 2024, monthly meeting.**

- a. Alan Berg reminded everyone that the minutes from our meetings are posted on the website.
- b. Doug Gorthy moved to approve the minutes of the August 21, 2024 meeting as presented. Elizabeth Gonzales seconded the motion. The minutes were approved unanimously.

**4. Approval/disapproval of the August 2024 financial report**

- a. Alan Berg discussed the August 2024 Financial Reports.
  - i. Alan noted that we had collected \$27,717.27 in revenue this month as compared to \$18,475.00 last month. This increase is due to Angelina Duncan's efforts to collect on delinquent accounts. In particular, we were able to recover \$2700 in bad debt from a single property. Additionally, we have collected another ~\$4000 in the last few weeks (to be reported on next month's Financials).
  - ii. Alan Berg pointed out that we have also consolidated our assets into simpler categories as compared to previous Financial Reports.
  - iii. Alan mentioned that we need to send all of our financial information to the USDA, so that we can prove that we can take on the extra debt associated with the Colonias Infrastructure funds.
- b. Questions and Comments from the Board and Community Members
  - i. Last month's expenses for Repairs and Maintenance were \$10,887.19; this month, they were \$0! This indicates the value of our new lift station.
  - ii. It doesn't appear that we have dealt with the old assets on our balance sheet? Alan has sent the updated list to Morones; he will follow-up as it needs to be incorporated in our documents to the New Mexico Environment Department (NMED). We know that the current asset list is bogus, but the Board will need to remove the old assets via a Resolution. At that point, our list will more accurately reflect what we have.
  - iii. We have no property included in our asset list? No, but we will likely have to include a list of the parcels on our paperwork to the State. Overall, the value of the properties is probably less than \$500,000.
  - iv. On the General Ledger, we can see that we've had large and variable electric bills (\$815.40 and \$550.05). These numbers are within our budget, and we're waiting to see what happens next month.
  - v. How much money is still owed on delinquencies? About \$30,000. However, some of these we may need to write off; only way we will recover them is if the property goes into foreclosure.
- c. The Board voted to approve the Financial Reports unanimously.

## 5. Old Business

### a. Lift station SCADA issues with communicating with TWWA

- i. Alan Berg discussed the continuing issues with the electronic monitoring system at the new Lift Station. We had been having false alarms due to the monitor itself not communicating properly. A new antenna has been installed, and the alarm system appears to be working properly now.
- ii. Alan explained that information on the levels at the Lift Station is always available to himself and Eddie Gonzales. Additionally, all Board Members are set to receive urgent alarms on their cellphones.

### b. Status of sewer line investigation by HEI

- i. Alan Berg stated that HEI quit the sewer line investigation project yesterday. They did not appear to be technically capable of the job and had significantly underbid the work (\$15k vs. ~\$50k from other bidders).
- ii. Alan Berg stated that we will likely need to pay around \$50,000 for the job. This is within our budget, but the Board will have to do a Budget Adjustment Resolution (BAR) to approve it. Alan reminded everyone that we have extra funds from the collections on delinquent accounts and from the Freeport-McMoRan (FMI) grant money.
- iii. Questions from the Board and Community.
  1. When do we need to know the sewer line status? By the end of the year. David Stapp stated that HEI told him that there were some collapsed sewer lines and roots in the system.
  2. Who gets the next job? Do we have any say in this? Yes, we can have a say in who is hired. Our consultants, Bohannon Huston (BHI), did not indicate any preference between the companies. Alan Berg clarified that HEI was the only respondent to the initial bid package; we only received the two newer bids this last week.

### c. Progress on collection of delinquent accounts Angelina Duncan and Alan Berg

- i. Alan Berg commended Angelina Duncan on her great work on collecting on delinquent accounts on our behalf. Angelina notifies the property owner of the outstanding debt with a legally-compliant delinquency letter and then files a lien if necessary.

### d. Update on our compliance with the Lead and Copper Rule inventory and notification to property owners

- i. Alan Berg stated that he and Eddie Gonzales have been working on the database for this inventory; they have also been working with Angelina Duncan on the letter to send to residents. All property owners will receive this letter in the next few weeks.
- ii. Alan Berg explained that the Environmental Protection Agency (EPA) wants all homeowners to check their valve boxes to see what their water lines are made of. The intent is to understand the prevalence of lead water lines in the entire Country. The TWWA will compile the information from our homeowners in a database.
- iii. Discussion and questions from the Board and Community
  1. What constitutes compliance to the law for the TWWA? Currently, we just have to notify everybody, but this may evolve in the future. We must comply with this law if we wish to continue to apply for Government funds for projects.
  2. A discussion ensued about the likelihood of homeowners actually checking and reporting on their waterlines. Regardless of whether they do or not, the TWWA must send the letters and compile an inventory.

### e. Freeport McMoRan Foundation 2024 award process report

- i. Alan Berg stated that he attended an interview yesterday with FMI regarding our submittal for an additional \$100,000 grant for water tower work. Alan stated that the FMI interviewers seemed particularly interested in what would happen if they didn't give us the grant. Alan Berg described for them what would happen if the patch in the water tower failed before we can get a new valve system constructed.

## 6. New Business

- a. **Approval/disapproval of Resolution 2025-02 Resolution to Accept Award CIF-6443 from the Colonias Infrastructure Fund for \$5,697,115, which is an 80% Grant and a 20% Loan for a Water System Construction project in Tyrone, New Mexico**
  - i. Alan Berg introduced Resolution 2025-02. Elizabeth Gonzales motioned to approve Resolution 2025-02; David Stapp seconded the motion.
  - ii. Alan Berg explained that the Board must both accept the Award and acknowledge our loan portion.
  - iii. Alan Berg read Resolution 2025-02 aloud.
  - iv. Discussion and Comments from the Board.
    1. What does it mean that the loan will be subordinate to the existing USDA/RD loan? We have to submit paperwork to the USDA requesting that they allow us to take this loan on. The USDA wants to ensure that we do not take on too much additional debt, and they want their loan position in front of other creditors.
    2. What is the monthly payment? Alan Berg has calculated that for both Awards (CIF-6443 and CIF-6444 discussed below) our payment would be less than \$20 per month per house for 20 years. Alan further noted that if we keep our new systems maintained, we shouldn't have to occur any additional debt.
    3. Alan Berg stated that the loan is 0% interest(!), and that he has prepared an amortization table that he will make available to anyone who would like to see it. If everyone continues to pay their monthly assessments, we will not have to raise the assessments. That said, the NMED may ask us to raise our rates to "prove" that we can pay our debt back.
    4. The alternative, if we do not accept these funds, is that we could have a major failure; then there will be a large assessment on all the homes for the repairs. Again, it must be made clear that it is still possible that we may have to raise everyone's assessments to meet this obligation.
  - v. A roll-call vote was taken. Doug Gorthy, David Stapp, Elizabeth Gonzales, Alan Berg and Angie Roach all voted yes. Resolution 2025-02 passed unanimously.
- b. **Approval/disapproval of Resolution 2025-03 Resolution to Accept Award CIF-6444 from the Colonias Infrastructure Fund for \$848,958, which is an 80% Grant and a 20% Loan for the Water Tower Rehabilitation project in Tyrone, New Mexico.**
  - i. Alan Berg introduced Resolution 2025-03 and read the Resolution aloud. Elizabeth Gonzales motioned to approve Resolution 2025-03; David Stapp seconded the motion.
  - ii. There was no discussion on this Resolution.
  - iii. A roll-call vote was taken. Doug Gorthy, David Stapp, Elizabeth Gonzales, Alan Berg and Angie Roach all voted yes. Resolution 2025-03 passed unanimously.

## 7. Report and Approval of Officers and Committees

- a. **President's Report-design status water tower rehabilitation project**
  - i. Alan Berg stated that BHI has 60% designs for the water tower, and the 100% designs should be completed in mid-October. They are preparing to go out for bid for this project.
  - ii. In response to questions from Community members, Alan Berg stated that construction on this project would likely start in the 4<sup>th</sup> Quarter of 2025. Additionally, Alan noted that the Board will create a committee to decide which Contractor to use for the project.
- b. **Vice President's Report-No Vice President**
- c. **Secretary's Report** – Nothing to report.
- d. **Treasurer's Report-No Treasurer**
- e. **Doug Gorthy-member** – Nothing to report.
- f. **David Stapp-member**
  - i. David Stapp stated that he had been looking into moving the existing shed from the old Lift Station to the new one. It will be relocated by crane this coming Saturday. David Stapp and Doug Gorthy will clear weeds from the area tomorrow and prepare the area for the relocated shed.

- ii. Alan Berg noted that he had initiated discussion with the local rancher to allow the rancher's cattle in the general area (but not in the lift station compound) to help keep the weeds down.
- g. **Elizabeth Gonzales-member**
  - i. Elizabeth Gonzales stated that she has been working on updating the website. She has learned how to upload announcements and is looking into being able to upload other types of documents.
- h. **Water Operator - Eddie Mendoza** – Not present.

#### **8. Input from property owners and residents**

- a. The fragility of the water tower makes people nervous. Response: We only learned about the 2020 leak and subsequent patch last year; we have no data on the patch or what it's made of. Alan Berg stated that he and Eddie Gonzales worry about it weekly. It is an urgent issue, and we are moving as fast as we can, but we have certain contractual requirements to the State that we must meet in order to obtain the funds.
- b. If the patch fails what would happen? We would lose all the water in the tower; it would flood down Copper Drive. We would be forced to try to borrow HDPE pipe from "the local mining company" and rent Baker tanks to construct a temporary workaround. This process would likely take about a week.
- c. If construction on the water tower can't start until 4<sup>th</sup> Quarter of 2025, is there anything we can do now to mitigate the risk? We submitted an emergency repair request to the State of New Mexico, but it was rejected by the Governor's Office (as a reminder, they gave us \$1.9 million for the new lift station 2 years ago). There is not much more we can do at this point but continue to raise awareness and express our concern and alarm.
- d. Are there any other funds that we can ask for? We keep in contact with Priscilla Lucero, but there are many water systems in the State with troubles.
- e. With the Colonias Funds, can we have staged construction and have the patch repaired first? Actually, the patch must be repaired second. We must have the new vault and pressure-reducing valves in place to maintain water flow to town while we repair the patch.
- f. Does BHI understand the gravity of the situation? Yes, and they are supporting us in requesting additional funds. Additionally, it's not just the water tower that is an issue. Losing a valve on Copper Drive could jeopardize the water supply to town too. Thus, we need the water system replaced as well.
- g. What about the rust in the water tower? That will be addressed as part of the \$800k grant.
- h. What prevents us from running into another problem with a sewer line scoping contractor like HEI? We know that the two new bidders are both experienced and reputable. In fact, ProPipe did work in Tyrone for New Mexico Gas about three years ago.
- i. Can you provide additional clarification on the \$20 per house per month for the new grants – is that for both of them? Yes, that amount is for the loan portion of both of the Colonias grants. We know that we can fund this with existing assessments, but it is possible that the State may require us to raise our assessments anyway.

#### **9. Approval/Disapproval to move into Executive Session pursuant to NMSA 1978 Section 10-15-1(H)(7) for the Discussion of matters subject to the attorney-client privilege pertaining to litigation in which the public body is or may become a participant.**

- a. Doug Gorthy made a motion to move into Executive Session. David Stapp seconded the motion.
- b. The Audience was dismissed from the building, so that the Executive Session could be held with the Zoom participants.

#### **10. Reconvene public participation portion of the September 18, 2024 TWWA Board meeting from executive session**

- a. Doug Gorthy moved to reconvene the public participation portion of the Board meeting. David Stapp seconded the motion. The motion passed unanimously.
- b. Alan Berg confirmed that no action had been taken in the Executive Session.

#### **11. Adjournment-A. Berg**

- a. Angie Roach made a motion to adjourn the meeting. Elizabeth Gonzales seconded the motion. The motion was approved unanimously.