

Tyrone Water & Wastewater Association Board Meeting
December 18, 2024– 6:30 P.M. – Tyrone Community Center
Final Minutes
Website: tyronewater.org

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

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

2. Approval/disapproval of Agenda-Deletions

- a. Alan Berg entertained a motion to approve the agenda. Doug Gorthy moved to approve the agenda as presented. Elizabeth Gonzales seconded the motion. The agenda was approved unanimously.

3. Approval/disapproval of minutes of the November 20, 2024, monthly meeting

- a. Doug Gorthy moved to approve the minutes of the November 20, 2024 meeting as presented. Elizabeth Gonzales seconded the motion. The minutes were approved unanimously.

4. Approval/disapproval of the September 2024 financial reports

- a. Elizabeth Gonzales motioned to approve the September 2024 financial reports as presented. David Stapp seconded the motion. There was no discussion. The September 2024 financial reports were approved unanimously.

5. Approval/disapproval of the October 2024 financial reports

- a. Angie Roach motioned to approve the October 2024 financial reports as presented. Doug Gorthy seconded the motion. There was no discussion. The October 2024 financial reports were approved unanimously.

6. Approval/disapproval of the November 2024 financial reports

- a. Alan Berg entertained a motion to discuss the November 2024 financial reports. Angie Roach moved to discuss the November 2024 financial reports. David Stapp seconded the motion.
- b. Alan Berg discussed the Financial Statements:
 - i. Our residential assessments are averaging around \$21,000 per month, so we're in good shape on that front.
 - ii. We continue to have issues getting our Water Usage Fees from the Town of Silver City.
 - iii. The Line Item "Grants" shows where we have paid money out from our Grants.
 - iv. The Line Item "Other Income" includes funds in September from the Tyrone Community Association for insurance premiums and in October and November for grants from Freeport-McMoRan.
 - 1. Next month, Alan Berg will give a presentation to Freeport-McMoRan discussing how we are spending the grant money from them.
 - v. Under "Maintenance and Repair", there is a payment of \$32,321.42 to File Construction for the remaining money due to them for the construction of the new lift station.
- c. Alan Berg stated that he would like to form a subcommittee of two board members to review the financial reports for the fiscal year. The purpose of the subcommittee would be to develop a list of questions regarding the clarity of the financial reports themselves. This would be used to develop a better format for future financial reports. Dave Stapp and Elizabeth Gonzales volunteered for the subcommittee.
- d. Alan Berg noted that we have not yet officially received the new lift station as an asset. When we receive it, we will start depreciating the lift station over a period of 20 years.
- e. The motion to approve the November 2024 financial reports passed unanimously.

7. Old Business

- a. **Status of CIF-6443 and CIF-6444 awards from the Colonias Infrastructure Fund for water tower rehabilitation and construction of the new waterlines, hydrants, and valves in the townsite (financial approval of the CIFs by New Mexico Finance Authority is pending while our financial history and ability to pay additional loans are being evaluated by the USDA/RD). The TWWA received a notice from the USDA/RD office in Albuquerque that the TPOA failed to notify the USDA/RD when the TWWA was formed and may result in a six-month delay in our request to ask for approval from the USDA/RD to take on additional debt for the water tower and water system projects. On December 13, 2024, the TWWA sent a letter to the Colonias Infrastructure Board requesting a six (6) month extension for projects CIF-6443 and CIF-6444 due to the unresolved issues with the USDA/RD regarding the loan transfer documentation. TWWA sent a request to Senator Ben Ray Lujan requesting assistance with the USDA/RD bureaucracy. Attachment A**
 - i. Alan Berg stated that the most important thing to understand is that we need USDA/RD approval to take on the additional debt related to our Colonias projects. Alan and Doug Gorthy discussed this obstacle with various legislators.
 - ii. Alan Berg noted that he was notified today that the New Mexico Finance Authority (NMFA) will assume the loan and pay off the USDA. This loan from the State will not happen until the first Quarter of 2025. Priscilla Lucero set up this meeting with the NMFA for us, and we were just notified of the result today!
 - iii. Alan stated that we also have received a 6-month extension on the Colonias projects; this will give us time to get the loan transferred. Additionally, we need to complete our financial audit for last fiscal year.
 - iv. Alan Berg noted that we must expend all the Colonias funds by the end of 2026. Our water system is designed and approved, so we can go out to bid and start construction in 60-90 days. Alan anticipated that construction could begin in 2025.
 - v. Questions and Comments from the Board:
 1. What is interest rate on the USDA/RD loan? 3.125% on a 40-year loan. This interest is “killing” us. And it seems dubious that we had a 40-year loan on a system with a (supposed) 20-year lifespan.
 2. What will the interest rate from NMFA be? The interest rate will depend on State Bonds which are based on Federal interest rates. We don’t know what the interest rate is yet, but we don’t have to accept the loan if it’s onerous.
 3. How long will the term of the NMFA loan be? It will likely be a 20-year loan.
 4. We can assess the terms of the loan and see what we want to do, but our water tower and system are failing. We really need to get this done. We may have to increase our monthly assessments.
 5. The interest rate won’t be known until Spring? January
 6. We’re going from a 40-year loan to a 20-year loan; so despite the lower interest rate, our monthly payments could still be higher? We don’t know for certain yet. We’re currently in year 12 of the 40-year loan, so this will shorten our loan life. And anything is more manageable than not getting financial assistance for our water tower and system.
- b. **Presentation to Grant County Prospectors on December 6, 2024, requesting \$100,000 for a service truck and tools for the water and wastewater operator.**
 - i. Alan Berg stated that Doug Gorthy and Eddie Mendoza made a presentation to the Grant County Prospectors. We were encouraged to do so as the State has \$5 billion in funds that have been allocated but not spent. The presentation was well-received.
 - ii. Doug Gorthy noted that he also talked to a representative from Senator Lujan’s office. Our problem with the USDA/RD is not uncommon; 21 out of 27 projects are being held up for the same reason as ours!
 - iii. Alan Berg stated that we won’t know if the truck is funded until next year. We should know by May at the latest. We don’t have to go out for bid; we can use one of the dealers that is approved by the State.
 - iv. Alan noted that our request was one of the smallest ones; most requests were over \$1 million. Alan also confirmed that we cannot use Freeport-McMoRan grant money to buy a truck; Freeport-McMoRan funds may not be used on vehicles, because they depreciate too rapidly.

c. Lift station

i. Notified Stantec and File Construction of an issue related to the electrical system at the lift station. The emergency generator cannot report to the monitoring company as it is not functioning as designed. There has been no resolution as of Friday December 13, 2024.

1. Alan Berg stated that there is an issue with the remote monitoring of the generator; if the generator starts or doesn't start in response to a power outage, we have no notification. The only way that we know if/when the generator kicks on is if we're standing there.
2. Alan noted that it is File Construction's responsibility to contact the subcontractor to get it fixed. The monitoring system is not wired in. We don't know whether this was "a miss" or if the monitoring option was not included in our specifications.
3. Alan Berg stated that if the generator monitoring was not originally included in the plans, we may need to make a resolution to pay for it. The fix is relatively simple, we are just waiting to understand if it should have been included originally.

d. Discussion on water tower condition and necessary repair elements

- i. Foundation repair**
- ii. Repair of patch at the bottom of the water column**
- iii. Resurfacing exterior**
- iv. Upgrade exterior ladder with integrated fall protection**
- v. Installation of new vault and valves**
- vi. Repair float, hatch, and vent**

1. Alan Berg read items i-vi above and stated that these are the issues of concern in our water tower. We are working to break out the high-priority elements from the bigger budget so that we can address the issues of highest concern first. Alan reminded everyone that we did receive an additional \$115,000 grant from the State, but we are still waiting on those funds to arrive.

e. Video investigation of townsite wastewater lines by Southwest Envirotec. Status report by Eddie Mendoza and Alan Berg.

- i.** Alan Berg stated that the video investigation of our sewer lines is underway. He noted that the most interesting find so far was that the main line under Copper was filled with spiders.
- ii.** Eddie Mendoza stated that the sewer line under the 200 block of Bornite was $\frac{3}{4}$ full of sand and dirt! All the manholes in this section of sewer line contain standing water. We need to get this section of line jetted asap, so that if there is another problem, this won't make it worse. Alan Berg noted that there must be a fractured line somewhere that is allowing soil into this part of the system.
- iii.** Alan Berg stated that our sewer lines should be scoped every 5 years (or even more often). The video investigation noted that there was another place where liners are separating from the sewer lines. Alan noted that if our sewer lines need replacing, it would be ideal to do it at the same time as the water lines.
- iv.** Questions and Comments from the Board and Eddie Mendoza:
 1. How much of the system has been completed? Roughly 25% - 6000 feet of 4.2 miles.
 2. Was there anything else that stands out? We may have to replace the sewer lines at the same time as the water lines due to soil disruption.
 3. What are the sewer lines made of? And what size are they? They are clay lines and vary in size from 6" to 12". When the lines change size, it occurs at manholes. (The lines from the houses to the streets are 4".)
 4. The Engineers will start writing a technical paper on the state of our system once they have all the data. It is conceivable that some sections are great while others are terrible.
 5. Could we have a project to replace only a portion of our sewer lines? Yes, with a contingency for any variables during construction (e.g. unanticipated failures while moving the soil around).
 6. What material would new sewer lines be made of? PVC. And we can connect that to clay? Yes, there are different types of connectors. It would usually be done at a manhole, but they could also bond the connection and set it in concrete.
 7. It will be interesting to see what portions of our lines are bad and why (e.g. tree roots,

poor soil, heavy traffic at intersections). We haven't found any true collapses yet, just impaired lines.

8. The line under Covellite is not properly sloped and material just sits in the line.

f. Progress on collection of delinquent accounts. Two certified letters were sent to property owners with over \$5,000 in arrears. Their water will be shut off as of December 19, 2024, if the property owners have not contacted the TWWA to work out arrangements for payment.

- i. Alan Berg stated that two homeowners with delinquent accounts (in approximate amounts of \$4,000 and \$9,000) were selected and notices were attached to their doors. Both homeowners called Alan yesterday.
 1. One homeowner stated that they were disabled; Alan told them that our rules say that we won't shut off the water as long as they can provide a Doctor's excuse.
 2. The second homeowner said that they "didn't know" that they had to pay TWWA assessments. They are working out a payment plan with us.
- ii. Alan stated that we will proceed with placing notices on the doors of additional delinquent homeowners next month. We have approximately 20 accounts that are delinquent in excess of \$500.
- iii. Alan Berg noted that we have also filed another lien on a property going into foreclosure.

8. Report and Approval of Officers and Committees

a. President's Report- Working with Carney Foy C.P.A. on FY 2024 audit

- i. Alan Berg stated that he is working with Carney Foy on our annual audit. There are a lot of questions to address, but it is anticipated to be done by January 16th.
- ii. Alan stated that Alex Brown is looking into whether the Town of Silver City can collect our \$65 assessments and forward them to us. The Town has more "teeth" when it comes to collections.

b. Secretary's Report – Nothing to report.

c. Treasurer's Report-No Treasurer

d. Doug Gorthy-member – Nothing to report.

e. David Stapp-member.

- i. David Stapp stated that he's been doing concrete work at the shed at the lift station. He'd like to do more work there and also to build the floor.

f. Elizabeth Gonzales-member

- i. Alan Berg stated that Elizabeth Gonzales has been working on the website; there is now a banner to draw attention to new information.
- ii. Elizabeth Gonzales had nothing else to report.

g. Water Operator - Eddie Mendoza

- i. Eddie Mendoza reminded everyone not to use implements like a chimney sweep brush to clean your sewer. Also, if you break something like a brush into the sewer system, please let the TWWA know so that we can intercept it before it hits our lift station.
- ii. Eddie noted that all of our recent water quality testing has been good.
- iii. Eddie Mendoza stated that he's still working on the Lead and Copper Rule database. Please submit your forms if you haven't already done so.
- iv. Eddie stated that the lift station is working great. He did some tests where he killed the power, and the generator kicked right on and the pump cycled fine on the generator power.

9. Input from property owners and residents

- a. Doug Gorthy noted that if the State doesn't help pay for an Operator's truck, that we may need to assess per property to pay for one. He also suggested that we keep the Operator's truck in a garage. Alan Berg stated that the TWWA technically owns the "street sweeper garage".
- b. What happened with the sewage spillage on Chalcopyrite? HEI was contacted and rooted from the manhole to a tree but then was stopped by roots. The tree is large and has likely collapsed the pipe. At this point, a new line around the tree will likely be needed.
- c. Are we keeping Morones as our accountants? No, by mutual agreement between them and us. If the city takes on the \$65 assessment, that would reduce a lot of the work, and then we could hire someone to do the accounting.

- d. What is the status of disposing of the old vehicles? We just found the titles and haven't done anything else yet. We have to fix the backhoe just to get it moving; repairs are needed to the tires, engine, and hydraulic pump and hoses.
- e. Comment from a resident that they feel very hopeful. Everything is moving forward even when it seems slow. This is hopeful.
- f. What about our debt ratio? Do we know if our debt ratio is going in the right direction? We think it is based on the questions from the State. We have a good sense of our budget for next year, but it's difficult to say what it will be like going forward from there. Our rates may need to increase at some point; our water/wastewater rates are low compared to all the other entities in the region.
- g. What's going on with the cones at the top of Copper & Cuprite where the street is not level? Who is responsible for getting that fixed? It will be fixed when we put in the new water line. When we replaced the valve in that location, TPOA and J&S Plumbing got the wrong valve box, and it sits up too high. We can't regrade it now; the entire section would have to be re-done. It is our responsibility not the County's, and we'll fix it with the new lines.

10. Adjournment-A. Berg

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

Attachment A