

**TYRONE WATER & WASTEWATER ASSOCIATION SPECIAL BOARD MEETING
OCTOBER 22, 2024– 6:30 P.M. – TYRONE COMMUNITY CENTER**

Draft Minutes

Website: tyronewater.org

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

- a. Alan Berg called the meeting to order. Elizabeth Gonzales, Doug Gorthy, David Stapp, 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 with no deletions. Doug Gorthy moved to approve the agenda as presented. David Stapp seconded the motion. The agenda was approved unanimously.

3. Approval/disapproval of Resolution 2025-06 APPROVAL OF FUNDS FOR THE TYRONE LIFT STATION IMPROVEMENT PROJECT STANTEC PROJECT 181301492

- a. Elizabeth Gonzales made a motion to approve/disapprove Resolution 2025-06. Angie Roach seconded the motion.
- b. Discussion between Board Members and with Priscilla Lucero of Southwest New Mexico Council of Governments (SWNMCOG).
 - i. Doug Gorthy: We discussed this same Resolution last week, and we did not approve it. After analyzing some of the elements of concern, we have invited Priscilla Lucero to discuss them.
 - ii. Priscilla Lucero (via Zoom): She did the research, and there was a change to the Engineering contract to offset some of the change orders. There was a cost savings of \$16,000 to the Engineering contract; this money went to File Construction. File Construction is still owed approximately \$33,000. These extra funds cannot be reimbursed by a Capital outlay. TWWA is only incurring \$33,000 not the full \$50,000.
 - iii. Alan Berg and Priscilla Lucero verified that the propane pad was an error on the part of the engineer, and that Stantec reduced their fees by \$85,177.06.
 - iv. Alan Berg stated that there were several additional errors by Stantec, and that the Board doesn't want to pay for the mistakes of Engineers.
 - v. Priscilla Lucero clarified that there was an amendment to the Construction contract of \$85,177.06, but that there was still an increase in other tasks. Thus, the total reduction was about \$30-40k.
 - vi. Priscilla Lucero reminded the Board that without the \$1.9 million from the State that each homeowner would have had to pay a share for the construction of the new lift station. The State Board of Finance awarded the money, and the SWNMCOG was directed to administer it. (In fact, if you combine all the water and wastewater projects for Tyrone, it's around \$20k per house.)
 - vii. Alan Berg stated that all construction projects are complicated. At the last meeting, the Board members were unaware that Stantec had reduced fees to offset the change orders.
 - viii. Alan Berg asked if there was any way to get reimbursement for the Rain-for-Rent pumps? Priscilla Lucero stated that there was not.
 - ix. Doug Gorthy stated that Alan Berg had just received the information from Priscilla Lucero about Stantec reducing their fees, and that the rest of the Board has yet to see it. He felt that the meeting is futile until those documents were available for discussion.
 - x. Doug Gorthy noted that the Board was not upset with Priscilla Lucero, only with Stantec and their various change orders. This is the first time that the Board has heard that Stantec reduced their fees.
 - xi. Priscilla Lucero reminded the Board that the contracts with File Construction and Stantec were not with TWWA but rather with SWNMCOG. The State gave the SWNMCOG the oversight of the money. Priscilla further stated that the SWNMCOG did what was right for the people of Tyrone, and the SWNMCOG is accountable to the State Board of Finance.
 - xii. David Stapp said that he had been prepared to vote "yes", but that this was a surprise and would like additional information.
 - xiii. Elizabeth Gonzales stated that she wasn't clear yet on where she stands on the issue.

- xiv. Angie Roach stated that she feels that we are obligated to pay Files for the work. If the Board has concerns with Stantec then they must be addressed separately.
- xv. Doug Gorthy noted that while he agrees with Angie, he felt that we need to look out for the Community. We need to get a better understanding of what happened; we only just now learned that Stantec reduce their fees.
- xvi. Alan Berg reminded everyone that this motion is only about paying \$32k to File Construction. Any remaining money issues are between SWNMCOG, Stantec and File. Alan stated that he had just learned about Stantec changing their fees tonight. It was not shown on the change orders that were available earlier.
- xvii. Alan noted that the total of the change orders was significant. How those change orders are reconciled with accountants when audited is between SWNMCOG, the State, File and Stantec. He further stated that even if we have disagreements with Stantec, this isn't the issue on the resolution.
- xviii. Dave Stapp asked if Stantec decreased their cost by \$85k where did those funds go? Did they go to File? And if so, is File being paid twice? Alan Berg answered "no". File just gets their money plus any change orders. Angie Roach reminded everyone of the general increase in construction costs that would have "consumed" those funds.
- xix. Doug Gorthy noted that he was grateful for the funds for the project – without it we'd be having an environmental disaster. He stated that he trusts Priscilla Lucero, but he never fully understood how Stantec was chosen.
- xx. Alan Berg agreed that Stantec would not have been TWWA's first choice, but that he and Eddie Mendoza have been working with them on the project for the last two years and generally Stantec agreed to their suggestions.
- xxi. Alan Berg noted that the situation was complicated and that TWWA was "put in the middle". Without the new lift station, we'd still be running Rain-for-Rent pumps at \$8,000 per month. Alan Berg stated that the situation is typical of construction: messy but we have an operational lift station.
- xxii. Neither Angie Roach nor Elizabeth Gonzales had any final comments.
- c. Alan Berg read Resolution 2025-06 aloud.
- d. A roll-call vote was taken. Alan Berg, Elizabeth Gonzales, David Stapp, and Angie Roach all voted "yes". Doug Gorthy abstained. The Resolution passed 4-1.

4. Adjournment-A. Berg

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