

**TYRONE WATER & WASTEWATER ASSOCIATION BOARD MEETING  
OCTOBER 16, 2024– 6:30 P.M. – TYRONE COMMUNITY CENTER**

**Draft Minutes**

**Website: tyronewater.org**

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

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

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

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

**3. Approval/disapproval of minutes of the September 18, 2024, monthly meeting**

- a. Alan Berg noted that the draft minutes were posted on the website. Angie Roach moved to approve the minutes of the September 18, 2024 meeting as presented. David Stapp seconded the motion. The minutes were approved unanimously.

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

- a. Alan Berg discussed the fact that we had only just received the financial reports before the meeting, so that it would not be fair to approve them. Elizabeth Gonzales motioned to approve the September 2024 financial reports, and David Stapp seconded the motion. (Doug Gorthy arrived at this point in the meeting.)
- b. Alan Berg stated that it would not be fair to approve the financial reports as we only received them from Morones at 3pm. Angie Roach and Elizabeth Gonzales verbally agreed that they did not have time to review the financial reports. It was recognized that the delay may have been due to a bank holiday on Monday.
- c. Alan Berg stated that we were collecting on overdue assessments and had received two-months' worth of the \$10 fee from the Town of Silver City. Thus, our revenues look good; this is important as we must show our Financials to the USDA and the State of New Mexico as part of our funding requests.
- d. A voice vote was taken to approve the financial reports. The reports were not approved by unanimous vote.
- e. Alan Berg stated that he will return to Tyrone in November; at that time, he will have a discussion with Morones regarding our accounting. If anyone knows an accountant who would like to take on this job, please let Alan know.

**5. Old Business**

**a. Lift station issues**

**i. Repaired with new antenna and mast installed by JCH**

1. Alan Berg reported that there have been no interruptions in data to the monitoring dashboard since the new mast was installed at the lift station.

**ii. Received three-year warranty on the shade structure from File Construction**

1. Alan Berg stated that we have received the warranty information from File Construction for the shade structure.

**iii. Lift Station shed moved to new lift station location for shelter and equipment. Work in progress to place foundation**

1. David Stapp reported that the old shed has been moved over the pad at the new lift station, but the shed and the pad are not the same size. One corner of the shed will be secured to the pad. A new foundation will be constructed for the rest of the shed as needed and ¾" gravel will be used to finish the floor.

2. Additional work at the lift station includes fixing the shed door, using solar to power the shed, removing the old pedestal on the old lift station, properly disposing of old materials, and opening the gates of the outer area so that the cattle can trim the weeds.
- b. Video investigation of townsite wastewater lines by HEI**
    - i. Alan Berg noted that HEI had pulled off the project as they were unable to conduct the work. There is no cost to us other than a delay to the project.
    - ii. Alan Berg stated that BHI had requested and obtained additional bids; the bids are about \$85,000. We have \$50,000 from the grant, but we would need to spend the additional \$35,000 from our budget.
    - iii. Questions and Comments from the Board and Community Members
      1. We need this project to understand the condition of our system. Furthermore, we can't apply for government funds without this data.
      2. HEI informally reported that there were several places in the sewer line where they couldn't get their video rover past crushed pipes.
      3. All of the infrastructure in town was built at the same time. If the sewer lines in people's yards are disintegrating, imagine what is happening under the streets with heavy traffic!
    - iv. Alan Berg stated that he will tell BHI to proceed with the lowest bidder and will work on preparing a Budget Adjustment Resolution (BAR).
  - c. Progress on collection of delinquent accounts Angelina Duncan and Alan Berg**
    - i. Alan Berg noted that Angie Duncan is making progress on collecting on delinquent accounts. We are getting more cash in.
    - ii. Alan Berg stated that we received information on a tax auction for a property on Azurite for which we are owed \$5000 in fines. The only way that we can get our money for this will be to deal with the new owner. We need to talk to the potential bidders at the tax auction and let them know that we will be filing a lien on the property. The County can't require a lien to be settled during a tax sale, and it's up to the purchaser to verify whether liens exist on a property.
    - iii. Questions and Comments from the Board and Community Members
      1. A deed sale is different than a clear title. A lien must be settled before you get a clear title. A person buying property at a tax auction may not care about a clear title; for example, if they are moving family members into the home.
      2. We still can turn off the water to the property. The new owner would not be allowed to hook up to our water supply until the lien is settled.
      3. David Stapp stated that he would attend the tax auction on behalf of the TWWA.
  - d. Update on our compliance with the Lead and Copper Rule inventory and notification to property owners-Letters sent to all property owners**
    - i. **Inspection of each home by owner or TWWA**
    - ii. **Inventory sent into NMED**
    - iii. Alan Berg reported that TWWA had sent letters to all property owners. So far, we received 20 phone calls with questions, and only 10 people have actually responded.
    - iv. Alan Berg stated that the inventory was submitted to the State yesterday in spite of a major glitch on the State computer system. We will have to update the inventory over the next several years.
    - v. Alan noted that most of the houses were built by a copper mining company and have copper pipes, but we have to follow the law to ensure that we are eligible for future funding opportunities.
  - e. Freeport McMoRan Foundation 2024 award for \$100,000 for water tower rehabilitation project.**
    - i. Alan Berg reported that we received extra funds from Freeport-McMoRan for our water tower repair. This is a 100% grant!
    - ii. Alan stated that we still have forms to complete, and then the funds will be released in late December.

## 6. New Business

- a. Approval/Disapproval of Resolution 2025-04 ADOPTION OF FINANCIAL POLICY & PROCEDURES MANUAL**
  - i. Doug Gorthy made a motion to approve Resolution 2025-04. David Stapp seconded the motion.
  - ii. Alan Berg stated that the Policy & Procedures Manual follows the format that the State uses.

- iii. Angie Roach noted that in the draft version a Purchase Order is required for purchases over \$100, but that petty cash was considered \$50 or less (creating a “gray zone” between \$50-100). Additionally, she wondered if \$100 was too low a value for petty cash given recent inflation.
  - iv. Alan Berg stated that the Board would vote to adopt 2025-04 with the following changes: the definition of petty cash would be increased to \$200, and a Purchase Order would be required for purchases greater than \$200.
  - v. All members of the Board voted to approve 2025-04 with the noted changes. The motion was approved unanimously.
- b. Approval/Disapproval of Resolution 2025-05 A RESOLUTION AUTHORIZING THE ASSIGNMENT OF AUTHORIZED OFFICERS AND AGENTS FOR PROJECT NUMBER SAP 23-H2423-GF. This is a \$50,000 grant from the State of New Mexico for addition wastewater system costs**
- i. Angie Roach motioned to approve Resolution 2025-05, and David Stapp seconded the motion.
  - ii. Alan Berg reminded the Board that TWWA (via Southwest New Mexico Council of Governments (SWNMCOG)) received \$1.9 million to build a new lift station in 2022. However, inflation over the past 2 years has increased the costs. This grant will cover the increased costs.
  - iii. The Resolution is to accept the grant and to affirm that will use the funds in the manner required by State regulations.
  - iv. A roll-call vote was taken. Alan Berg, Elizabeth Gonzales, Doug Gorthy, David Stapp, and Angie Roach all voted yes. The resolution passed unanimously.
- c. Approval/Disapproval of Resolution 2025-06 APPROVAL OF FUNDS FOR THE TYRONE LIFT STATION IMPROVEMENT PROJECT STANTEC PROJECT 181301492**
- i. Alan Berg stated that the purpose of this resolution is to decide whether to pay Files Construction an extra \$32,301.42 for the construction of the lift station. These additional funds (beyond the State’s \$1.9 million) are needed to cover change orders and cost overruns that occurred during construction.
  - ii. Doug Gorthy made a motion to discuss Resolution 2025-06. Angie Roach seconded the motion.
  - iii. Alan Berg provided a summary of the change orders that were issued from SWNMCOG to File Construction during the building of the lift station.
    - 1. Change Order 2: A change order for \$3100.95 related to the shade structure. This change order was caused by a miscommunication between TWWA’s agent in the field and Stantec. TWWA’s field person did not have the authority to direct changes to construction.
    - 2. Change Order 3: A change order for \$21,468.96 was caused by a design error. The engineers designed the propane tank too close to the back-up generator. Stantec has admitted that this was their error.
    - 3. Change Order 4: A change order for \$6685.70 for a conduit that was not sized correctly. The designed conduit for the wet well power cables was too small and had to be increased to accommodate the power cables.
    - 4. Change Order 5: A change order for \$7075.92 for correcting an issue with an incorrectly-sized circuit breaker. This was also a design error.
    - 5. Change Order 6: A change order for \$5127.77 to relocate the flow meter vault to a closer location – so that manufacturer’s specifications on maximum cable length would not be exceeded.
    - 6. Change Order 7: A change order for \$496.75 to purchase an extra chain for use in lifting the pumps out of the wet sump for maintenance.
  - iv. Alan Berg noted that the change orders summed up to over \$50,000. TWWA’s share of the costs are \$32,000. This money will come from the \$50,000 grant (discussed in Item 6b). Alan stated that we have the money from the State, but he did not think that relieved Stantec from culpability.
  - v. Comments from the Board and Community Members (compiled by topic)
    - 1. Concerns about Stantec
      - a. Why are we being charged for Stantec’s errors? This is a matter of principle, and these errors will continue if we allow them. Stantec should be paying for this.
      - b. We did not want Stantec in the first place, but we were required to use them due to the way that the State issued the funds through SWNMCOG.

- c. Lift stations always have back-up generators that run on propane. How could Stantec have missed the regulations about how close the propane tank may be placed to the generator? They should be responsible for the \$20,000 change order.
  - d. We still haven't seen the field notes from Stantec to File Construction. We were not the fiscal agent; we were only the recipient.
  - e. It seems like there was gross negligence on account of the Engineering firm. In some of the change orders, it's even admitted within the change order itself.
  - f. It doesn't matter that we received \$50,000 from the State. People who make errors should be held accountable. We have to broach the subject, or we will be bullied.
2. Concerns about Costs
    - a. There was also a significant cost to TWWA related to the delays to the project. We averaged \$77,000 per month for Rain-for-Rent pumps plus fuel. We also have to factor in the time that J&S Plumbing and Eddie Mendoza spent on the project. Has anyone added up these costs?
    - b. If we pay for these changes, we are basically accepting them. We are unlikely to "claw" the money back. Perhaps we should talk to a lawyer first.
  3. Potential for Obtaining Additional Information from SWNMCOG
    - a. Priscilla Lucero may have more insight into the situation. We should bring her into the discussion.
    - b. If we don't approve this, we could go back and discuss with SWNMCOG. However, it seems like this could drag on for years.
  4. The Need to Pay File Construction
    - a. For clarification, this resolution is a vote to pay File Construction (not Stantec), and the funds are coming from the State? Yes.
    - b. This resolution is about paying File Construction. They completed the work, and we need to pay them. Then, we can investigate how we would deal with the situation with Stantec.
    - c. We don't want to cause damage to File Construction when it was the Engineers that made the mistakes.
  5. Concern for Future Projects
    - a. For future projects, like the water tower, do we get to choose the Construction Company? Is the onus on us or Bohannon Huston Inc to keep an eye on them? We will be the fiscal agent, so we will have oversight.
    - b. Would this cause us to have a "black mark" on us, so that future construction firms would balk at working for us?
- vi. A roll-call vote was taken. Dave Stapp, Doug Gorthy and Elizabeth Gonzales all voted "no". Angie Roach voted "yes", and Alan Berg abstained from voting. The motion failed.

## 7. Report and Approval of Officers and Committees

### a. President's Report

- i. Alan Berg stated that he is working to get the lien satisfied for 112 Azurite.
- ii. Alan will return to Tyrone in November, and he will discuss accounting with Morones.

### b. Vice President's Report-No Vice President

### c. Secretary's Report – No report.

### d. Treasurer's Report-No Treasurer

### e. Doug Gorthy-member – No report.

### f. David Stapp-member – No report.

### g. Elizabeth Gonzales-member – No report.

### h. Water Operator - Eddie Mendoza

- i. Alan Berg reported that Eddie Mendoza would be back working for TWWA next week. Eddie will be in charge of all of the upcoming projects. *The Board and Community members applauded.*
- ii. Alan reported that our water quality sampling is up to par and in compliance. On the sewer front, Kenny Salazar has reported that people are still flushing large objects on occasion.
- iii. Alan Berg noted that the automated monitoring has been working well.

*iv. Alan thanked Kenny and Chantel Salazar for all of their efforts at the lift station!*

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

- a. Mare Coppinger stated that she was happy to hear that TWWA is automating both our monitoring of the lift station and also our accounting. “Go Tech”!

**9. Adjournment-A. Berg**

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