

**TYRONE WATER & WASTEWATER ASSOCIATION
DRAFT MINUTES OF THE AUGUST 21, 2024
MONTHLY BOARD MEETING**

1. Call to order and declare a quorum. Alan Berg called the meeting to order at 6:34 pm at the Tyrone Community Center, 50 Malachite Avenue, Tyrone, NM. Angie Roach was present on Zoom. Doug Gorthy, David Stapp, Elizabeth Gonzales, and Alan Berg were present at 50 Malachite. Alan Berg declared that a quorum was present.
2. Approval/disapproval of Agenda-Deletions David Stapp made a motion to accept the agenda as presented. Seconded by Doug Gorthy. Open for discussion, no comments. Alan Berg called for the question and the agenda was approved by unanimous voice vote.
3. Approval/disapproval of minutes of the July 17, 2024, monthly meeting. Doug Gorthy made a motion to approve the draft minutes of the July 17, 2024 TWWA Board Meeting. Seconded by David Stapp. Open for discussion, no comments were received from the board members. Doug Gorthy was complimented on his note taking for the July 17, 2024 meeting. Alan Berg called for the question and the July 17, 2024 TWWA Board Meeting was approved by an unanimous vote.
4. Approval/disapproval of the July 2024 financial report: First month's revenue for fiscal year 2025. Elizabeth Gonzales made a motion to accept the July 2024 financial report. The motion was seconded by David Stapp. Discussion: Alan Berg reported that the July 2024 revenue was \$18,490 which is \$5,860 short of our budget of \$24,350 per month. Our annual budget is \$292,200 so we need at least \$24,350 each month to be on budget. Doug Gorthy asked why we have not converted over to the new accrual system yet. Alan Berg answered his question with the comment that Morones & Associates was working on the conversion but had not completed it yet. Doug asked why? To which Alan Berg could not say other than Mike Morones told him that they were working on the conversion. Doug asked why we were so short on funds and Alan Berg answered that some people pay in January and others are on vacation. There are also those homeowners who are delinquent in their assessments. David wanted the pages numbered on subsequent versions of the financials. Question by Scott Robertson on why we were still paying for Rain for Rent. Alan Berg responded that we had several large invoices from Rain for Rent the previous months and we wanted to spread out the payments for cash flow purposes. Alan Berg also reported that we had paid Rain for Rent \$77,000 for the project. Alan Berg also mentioned that we had approved a budget adjustment request for \$43,000 for the Rain for Rent charges to that date. This was a significant amount of funds expended from our fiscal year 2024 budget of \$272,000. Doug Gorthy highlighted the fact that \$77,000 was almost a quarter of our annual budget for a pump that did not run most of the time. Alan Berg reminded the assembly that we used the pumps every day for six months. Hearing no other comments, Alan Berg called for the question and the motion passed with a unanimous voice vote.
5. Old Business
 - a. Approval/disapproval of final June 2024 financial report. Alan Berg entertained a motion to approve the final June 2024 financial report. Elizabeth Gonzales made the motion which was seconded by David Plapp. Discussion: Alan Berg distributed the Monthly Statement of Activity for the period from July 1, 2023 to June 30, 2024 which was in landscape format. The June 2024 financial report presented at the July 17, 2024 TWWA board meeting was a draft. A copy of the June 2024 Monthly Statement of Activity is attached to the draft minutes.
 - b. Discussion of change orders and project issues related to the new lift station. Alan Berg and David Stapp have reviewed the project files at office of the Southwest New Mexico Council of Governments (COG). The COG copied 7 change orders from File Construction, processed by Stantec and approved by the COG. Due to the extensive data in each change order, it was not

practical to develop any conclusions regarding the change orders. Alan Berg will review the change orders and prepare a summary of his findings and present them to the Board. David Stapp did comment that the files for the project were in good order and appeared to be comprehensive at first look.

- c. Progress on collection of delinquent accounts Angelina Duncan and Alan Berg Alan Berg. Angelina Duncan and Alan Berg sent out five delinquent letters and will send out several more letters in the next weeks. This is an ongoing process that will eventually result in the receipt of some of the delinquent dollars owed to the TWWA.
- d. The new website should be online as of August 21, 2024. 100% ADA compliant. Alan Berg reported that the new website Tyronewater.org went live today. Elizabeth Gonzales will enter the data into the website. At this point, only Elizabeth and Alan have access to the website to make changes and additions.

6. New Business.

- a. Presentation by the Tyrone Community Association (TCA) regarding grant application process for funds to improve or construct parks. Approval/disapproval of TWWA acting as a public body supporting the TCA request. Doug Gorthy moved to open discussion on the TCA grant application process and David Stapp seconded the motion. Discussion: Kim Montoya, the president of the TCA made a presentation regarding park improvements. She noted that the TCA as a homeowner's association could not make the application, but the TWWA, as a mutual domestic water and wastewater system could. Senate Bill 275 funded \$7,500,000 for park improvement projects throughout New Mexico. Kim stated that a HOA could not apply for a grant for over \$10,000. If the TWWA votes to approve the application process on behalf of the TCA, then the TWWA has to submit the application. Considerable discussion was held on the topic including the costs for each element of the project. The New Mexico Department of Financial Administration will consider the application according to Kim with the understanding that the TWWA will not incur any costs associated with the proposal. TCA will be our technical advisor for the project. One of the reasons that the TCA and TWWA are co-owners of the open space and park parcels in the townsite was to apply for grants and loans as partners. Doug Gorthy asked how many children live in Tyrone. No one knew the exact number of children, probably less than 300. Doug Gorthy mentioned that if we have improved park facilities persons from the Town of Silver City will come out to use the facilities. Berg called for the question with the understanding that the TWWA will proceed with the community park grant process with the understanding that there is no obligation by the TWWA for funding the park grant. The TCA will support any technical or administrative requirements of the proposed project. Alan Berg also stated that the final step in the approval of the project is awarded by the State of New Mexico would be a resolution considered and passed by the TWWA Board of Directors at a regular meeting of the Board of Directors. Alan Berg called for a voice vote which passed unanimously.
- b. Approval/disapproval of the pollution liability insurance policy renewal at an annual fee of \$11,502.35. Alan Berg talked about the historic discussion by other boards when the townsite was the Tyrone Property Owners Association. The proposed insurance policy has a \$25,000 deductible. The maximum coverage is \$2,000,000. Doug Gorthy wanted to know why our premium was so high if we just got a new lift station? Alan Berg said he did not know but Mahoney Group our insurance broker was the only agency to respond to our request for bids when we last went out for insurance quotes. Alan Berg asked the question to the board of how risk adverse we are. Many persons do not have car insurance, and more and more people don't have home insurance due to the rising cost. Alan Berg called for the question and asked for a roll call vote of the Board, Angie Roach-yes, Elizabeth Gonzales-yes, Doug Gorthy-yes, David Stapp-yes, Alan Berg-yes. Motion carried unanimously.

- c. Formation of a committee to dispose of excess vehicles and equipment. Discussion of process of advertising, sealed bids, auction, packaging all items in one bid or auction offering.
 - i. Emergency generator from old lift station
 - ii. 2 Ford ½ ton pickup trucks
 - iii. JCB backhoe

David Plapp and Alan Berg are the committee for the disposal of excess equipment. There is a process through the State of New Mexico, advertise or have an auction. Sealed bids are probably the best options. We will work out the process. Over the next few weeks you will see advertisements for the equipment. Doug, should we buy a backhoe or contract the work out with a local contractor? We should not try to buy another one as we will use it infrequently.

- d. Report on the Rural Community Assistance Corporation (RCAC) workshop on August 16, 2024 regarding the EPA mandated Lead and Copper Rule Service Line Inventory requirements due to the NMED by October 16, 2024. Eddie Mendoza and Alan Berg attended the workshop for the Lead and Copper Rule which goes into effect on October 15, 2024. The first phase is to get an inventory of all the residential buildings in our jurisdiction. There are several phases of this program that will eventually result in homeowners filling out questionnaires and TWWA personnel coming to your home. There will be major questions regarding how the homeowners are to tell if their internal pipes are plastic, lead, or plastic. According to Eddie, we are going to make the October 15, 2024 deadline.

7. Report and Approval of Officers and Committees

- a. President's Report-Alan Berg and David met with Karl Pennock with RCAC to discuss a water and wastewater rate survey. Karl directed us through a series of questions regarding our debt, income, upcoming projects, projects in the pipeline, etc. The New Mexico Finance Authority and other state agencies are interested in our ability to create sufficient revenue to conduct normal operations and also take on more debt for the proposed projects. RCAC at no cost to us helps with a rate assessment. There is the message that we hear time and again, that Tyrone residents/owners are not paying enough for our current obligations. Another topic is the upcoming project supervised by Bohannon Huston Inc. and conducted by HEI. This project will involve scoping all the manholes, and sewer lines in the Townsite. We need to understand the condition of the sewer lines prior to starting excavation and replacement of the water lines, valves, and fire hydrants. The main vitreous clay sewer lines were lined with polyethylene in 2013 as part of the new lift station project. The contractor "ProPipe" also worked for New Mexico Gas Company a couple of years ago when they checked for gas line cross connections. The TWWA received the electronic copies of the video survey by ProPipe. The scoping of the lines will start on August 26, 2024. Berg reported that the new website is up and running and the address is: tyronewater.org. We will put the agendas on the website, draft minutes, final minutes, and financial reports and statements. Berg also reported that our fiscal 2025 budget has been approved by the State of New Mexico. The fiscal 2024 budget took a year to get approved for reasons that are not clear. Berg reminded the board that we are in the process of moving away from Morones & Associates and to take care of our activities in house. We are on track to pay Morones & Associates in excess of \$30,000 this fiscal year if we don't bring some of the tasks in house.
- b. Vice President's Report-No Vice President
- c. Secretary's Report-no report by Angie Roach
- d. Treasurer's Report-No Treasurer
- e. Doug Gorthy-member-no report
- f. David Stapp-member- Alan had asked David to look into building or moving the old building onto Eddie's pad. David asked if we need the building insulated, lighted, etc. Berg responded

that we still add a degreaser each day and the Greasezilla degreaser, costs \$3,000 per 55 gallon drum and should be kept out of the weather. David will continue to investigate the plan to move or construct the building using what we have already. Does the person have to be insured, licensed, etc.? Berg stated yes and yes to the questions. David also wanted to assess the number of hours that Kenny and Chantel Salazar spent cleaning and degreasing the lift station. Berg reminded the board members that we are supposed to assess the lift station each day according to the agreement between the former TPOA and the USDA/RD.

- g.** Elizabeth Gonzales-member-non comment
- h.** Water Operator - Eddie Mendoza-not in attendance

- 8.** Input from property owners and residents
- 9.** Adjournment-Alan Berg- David Stapp made a motion to adjourn the meeting, seconded by Doug Gorthy. Approved on an unanimous voice vote.

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