

**Tyrone Water & Wastewater Association Board Meeting**  
**January 15, 2025 – 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 Doug Gorthy were present in-person; Alan Berg, Elizabeth Gonzales, and David Stapp attended via Zoom. Alan Berg declared a quorum.
  - b. Alan Berg stated that for the Resolution documents, we would denote an “aye” or “nay” next to the signature lines for zoom attendees in lieu of their signatures. He further noted that the zoom meeting is being recorded.
- 2. Approval/disapproval of Agenda-Deletions**
  - a. 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 December 18, 2024, monthly meeting.**
  - a. Elizabeth Gonzales moved to approve the minutes of the Dec. 18, 2024 meeting as presented. Angie Roach seconded the motion. The minutes were approved unanimously.
- 4. Approval/disapproval of December 2024 financial reports**
  - a. Elizabeth Gonzales made a motion to discuss the financial reports. Angie Roach seconded the motion.
  - b. Alan Berg stated that we are still working to clean up our assets and the details of our reserve accounts on the Statement of Financial Position.
  - c. With regard to the Statement of Financial Activity, Alan noted that we are short \$9,825 in Residential Assessments and Water Usage Fees as compared to our budget for this point in the fiscal year. This shortfall is due to residents not paying their assessments. This may become an issue for the potential loan assumption by the New Mexico Finance Authority (NMFA) – see item 5a.
  - d. The Board discussed the late arrival of the financial documents leaving little time for review. Members of the Board also expressed concern about not having the budget for comparative purposes. Several options for improving the situation were tendered: 1. Approving the financial documents one month later, 2. Having a work session to discuss the financial situation, and/or 3. That “Cliff Notes” of key points would be sent with the financial reports.
  - e. A question was raised about a repeating expense on the General Ledger for “Southwest H<sub>2</sub>O LLC”. Alan Berg and Eddie Mendoza clarified that this was the name of Eddie Mendoza’s company.
  - f. A vote was taken on the question of approving the December 2024 financial reports. All Board members were opposed. The motion failed unanimously.
- 5. Old Business**
  - a. Status of discussions with USDA/RD and New Mexico Finance Authority regarding assumption of loan by NMFA**
    - i. Alan Berg stated that he and Angie Roach had a meeting with the NMFA last week to discuss the assumption of the USDA/RD loan. They discussed the debt, revenue, and loan conditions. Alan noted that one important factor is that we must demonstrate the ability to pay for the loan. Resolution 2025-11 (item 6b) authorizes the submission of our loan application to the NMFA.
    - ii. Alan Berg stated that he had just received the following information about the loan this evening: the loan would be for 28 years at 6% interest! Additionally, our current balance of \$544k would be increased to \$593k due to various management fees. Alan told the NMFA that he was not certain that the Board could approve these terms as the interest rate is significantly higher than the current USDA/RD loan at 3.125%.
    - iii. Alan Berg reminded the Board that the USDA will not allow us to take on the Colonias grant-loans (slated for Q1 of this year) without their approval. Unfortunately, when we switched from the TPOA to the TWWA, we failed to notify the USDA and now they want us to reapply for the loan as the TWWA. We were attempting to refinance the loan with the NMFA as it would be faster, but now NMFA has told us that we will likely have a 6% interest rate.

- iv. Alan Berg stated that the NMFA has told us that we need to increase our revenue to qualify for the loan. He estimates that we need an extra \$10 per property per month. In other words, our assessments would be raised to \$75 per month.
  - v. Alan Berg clarified that the 6% interest rate is an estimate and that we won't know the actual interest rate of the loan until a week before close. This is because the NMFA loans are sold on the bond market, and in fact, the interest rate could come back higher. Once we know the terms of the loan, we'll have to call a special Board meeting with 72-hours' notice to decide whether to approve the loan.
  - vi. Questions and Comments from the Board and Community Members:
    - 1. If we stick with the USDA/RD loan, then we must get our Colonias grant-loans passed by the USDA. We will have to re-apply for our USDA/RD loan as the TWWA, so there's a chance our interest rates may increase with them too?
    - 2. Maybe we should use the fact that the TPOA does not exist as a way to play hardball with the USDA/RD. The TWWA has been paying the loan in good faith, but the loan is actually with the defunct TPOA.
    - 3. The proposed loan for the lift station (before we ended up getting a grant) would have been at about 6%, so this may just be the current rate.
- b. Lift station issues**
- i. Eddie Mendoza reported there are no issues with the general operation of the lift station. That said, we still have no communication if the generator kicks on. File construction is looking into the situation.
  - ii. We still have an issue with people flushing rags down our sewers. It decreased for a few weeks after we posted a notice on the sign board, but now the problem has increased again.
- c. 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 was complete. Deficiencies were found in multiple locations. BHI will now prepare a Technical Memorandum, so that we can consider our next step.
- d. Progress on collection of delinquent accounts.**
- i. Alan Berg stated that Angelina Duncan continues to make headway on the issue of recalcitrant payers. We've been hanging notices on doors letting folks know that we will shut off the water; this has been an effective way of getting the property owner to communicate with the TWWA.
  - ii. Alan Berg noted that anyone may request a list of the homeowners who are behind in their assessments – just send him an email request and he'll provide you a copy. The highest delinquent account is ~\$9,000, and multiple agencies already have liens against that particular property.
- e. 120 Chalcopyrite sewer line issues. Discussion on how to proceed with the owner's inability to pay for repair of wastewater line from his house to manhole.**
- i. Alan Berg re-capped the issue with 120 Chalcopyrite: The sewer line from the house to the street is completely plugged and cannot be roto-rooted. Raw sewage continues to seep out onto the ground. Alan Berg talked to several government agencies for assistance, but we didn't get anywhere.
  - ii. Alan Berg stated that he had verified that we would not be in violation of the Anti-Donation Clause if we fixed the line and put a lien on the home. The State Ethics Commissions confirmed that the Anti-Donation Clause does not apply to us because we are a Mutual Domestic. In theory, we could pay ~\$9,000 to fix the line at 120 Chalcopyrite and put a lien on the house, but we don't have the actual cash to do so.
  - iii. The Board discussed the option of shutting off the water to the house. We have the authority to do that to prevent further pollution from the property. The Board decided on this alternative and to give the property owner 24-hours' notice first.

## 6. New Business

- a. **Approval/Disapproval Resolution 2025-10 Resolution of the Tyrone Water & Wastewater Association establishing date, time, and method of Notification of Meetings for the Tyrone Water & Wastewater Association.**

- i. Alan Berg read the text of Resolution 2025-10 aloud. Doug Gorthy made a motion to approve Resolution 2025-10. Elizabeth Gonzales seconded the motion.
- ii. When questioned regarding the purpose of the resolution, Alan Berg told the Board that we must approve a resolution establishing meeting times and announcements on an annual basis to demonstrate that we are following the Open Meetings Act.
- iii. Alan Berg reminded the Board that he would conduct a roll-call vote and that the Secretary would denote the votes of those attending via Zoom on the Resolution document.
- iv. A roll-call vote was taken. Alan Berg, Elizabeth Gonzales, David Stapp, Doug Gorthy and Angie Roach all voted “yes”. Resolution 2025-10 passed unanimously.

**b. Approval/Disapproval Resolution 2025-11 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority**

- i. Alan Berg stated that the purpose of this Resolution was to approve the submission of an application to the New Mexico Finance Authority (see item 5a). Alan reiterated that this is only the next step in the process and is not binding us to a final loan.
- ii. Doug Gorthy made a motion to approve Resolution 2025-11. Angie Roach seconded the motion.
- iii. A roll-call vote was taken. Alan Berg, Elizabeth Gonzales, David Stapp, Doug Gorthy and Angie Roach all voted “yes”. Resolution 2025-11 passed unanimously.

**c. Approval/Disapproval Resolution 2025-12 Resolution Authorizing the President and Secretary of the Tyrone Water & Wastewater Association to submit a notice of “Intent to Apply” for a Colonias Infrastructure Grant and Complete the Grant Application for Submittal to the Colonias Infrastructure Board the 2025 Funding Cycle.**

- i. Alan Berg stated that the purpose of this Resolution was to approve the submission of an “Intent to Apply” for a Colonias Grant in 2025. Alan stated that we are preparing a preapplication for \$500,000 to be used to design a wastewater system replacement.
- ii. Angie Roach made a motion to approve Resolution 2025-12. Doug Gorthy seconded the motion.
- iii. Discussion by the Board Members:
  - 1. Alan Berg noted that we already have two approved grant-loans for \$6.5 million for the water tower and water system. This is an additional request for the wastewater system.
  - 2. Given that we’re just now submitting an “Intent to Apply”, would we be able to replace the water and sewer lines at the same time? That would ideal.
- iv. A roll-call vote was taken. Alan Berg, Elizabeth Gonzales, David Stapp, Doug Gorthy and Angie Roach all voted “yes”. Resolution 2025-12 passed unanimously.

**7. Report and Approval of Officers and Committees**

**a. President’s Report**

- i. Alan Berg stated that we need to have a special session to discuss our finances.
- ii. Alan noted that he had a meeting tomorrow with the NMFA to discuss our finances with respect to the potential loan.

**b. Secretary’s Report – Nothing to report.**

**c. Treasurer’s Report-No Treasurer**

**d. Doug Gorthy-member**

- i. Doug Gorthy discussed the upcoming difficult decision that the Board will likely need to make. The terms of the proposed NMFA loan are 28 years at 6%. The alternative is to stick with the USDA/RD loan, for which we’ve already paid 12 years, at 3.125%; however, the USDA/RD bureaucracy may disqualify us from receiving our Colonias grant-loans. If we accept the NMFA loan to get the Colonias funds, we will be obligating the community to an

additional \$5-10 per house per month for 28 years. Doug suggested that we should have a working meeting to discuss this choice with the entire Community; more people than just the five Board members should be involved in a decision that will affect 325 homes.

e. **David Stapp-member** – Nothing to report.

f. **Elizabeth Gonzales-member**

i. Elizabeth Gonzales reminded the Board of upcoming trainings.

g. **Water Operator - Eddie Mendoza**

i. Eddie Mendoza discussed an issue on TWWA's water bill from the Town of Silver City (ToSC). He was able to recover \$3000 from the ToSC for unaccounted/lost water! Eddie had been double-checking the records, discovered an issue, and held a meeting with ToSC to get it corrected.

ii. The ToSC totals all the water for every household and subtracts that from the amount that comes out of the tank. Anything that is left over is charged to TWWA as "lost water". Eddie discovered that ToSC had kept adding up the lost water; that is, they failed to re-set each month. After Eddie showed the ToSC his receipts and calculations, they credited us with \$3000.

iii. Questions and Comments from the Board:

1. Why doesn't Eddie read the meters? It wasn't an error in the meter reading; it was how the ToSC created the bill. In fact, what the ToSC should do is read the meter from our tank and then give us a credit for all the houses. Unfortunately, ToSC's current system will not allow them to bill that way. However, their new system will allow them to do so.

2. Alan Berg mentioned that another water association in the area buys the water from ToSC and then sells it to the homeowners. He suggested that perhaps we should re-negotiate with the Town to do that. Eddie Mendoza stated that he mentioned that to the ToSC but that "they were quiet" about that topic.

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

a. We have many issues with sewer and water; we are "chasing our tails" on neglected and aging infrastructure. What is the priority at this time? The water tower. Do the various Government Bureaucracies understand that it "could blow at any moment"? Yes. And Eddie Mendoza and Alan Berg are working on contingency plans.

## **9. Adjournment-A. Berg**

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