

Tyrone Water & Wastewater Association Board Meeting

March 20, 2024 – 6:30 P.M. – Tyrone Community Center

Draft Minutes Posted March 26, 2024

Website: tyronenmwater.org

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

a. The meeting was called to order. Alan Berg, Doug Gorthy, and Angie Roach were in attendance. Alan Berg declared a quorum.

2. Approval/disapproval of Agenda-Deletions

a. Alan Berg stated that Items 4 & 5 would be deleted from the agenda as Carney Foy had not yet completed the audit. Alan also noted that he told Carney Foy that the audit had to be completed by next Thursday in order for us to submit the application for State Colonias funds for our water system.

b. Doug Gorthy moved to approve the agenda as amended. Angie Roach seconded the motion. The amended agenda was approved unanimously.

3. Approval/disapproval of minutes of the February 21, 2024, TWWA Board Meeting.

a. Approval of the minutes was inadvertently skipped. See Item 9c for approval of the minutes of the February 21 Board Meeting.

4. Approval/disapproval of a motion to move into closed session for an exit conference of the FY 2023 Agreed Upon Procedures (AUP) in accordance with Section 12-6-5 of the Audit Act provides that an audit report does not become a public record, i.e., subject to public inspection, until five days after the auditor releases it to the audited agency. Where the agency being audited is governed by a public body subject to the Open Meetings Act and where release of the report occurs at an exit conference at which a quorum of the members of the body is present, such exit conference need not be open to the public in order to preserve the confidentiality of the information protected by Section 12-6-5.

5. Return to Open Session. Report on topic discussed in the closed session.

6. Approval/disapproval of the February 2024 financial reports

a. Angie Roach made a motion to discuss the February 2024 Financial Reports. Doug Gorthy seconded the motion.

b. Alan Berg discussed the Financial Reports.

i. Alan noted that our revenue was a little better this month; we received \$23,733.70 in revenue and have a positive cash flow. This is due to an increase in people paying their assessments, but also some people are paying their assessments for the entire year. Year-to-Date our revenue is \$286,289.95, but \$112,000 of that is the Freeport-McMoRan grant for the water tower.

ii. Alan pointed out that all four the Moyno pumps for the old lift station have “blown up” now. Until the new lift station is built, we are operating on 2 rental pumps from Rain-for-Rent. Alan believes that our cash flow will be okay for 1-2 months, but the rental pumps are an added cost.

Additionally, these pumps require diesel fuel (~100 gallons per week per pump) and a lot of attention (i.e. we must check on them frequently).

iii. Alan discussed the difference between our unrestricted cash and our reserve funds (see Attachment). Much of our money is tied up in reserve funds, and even a lot of our “unrestricted” cash is committed. We do have approval from the USDA to use some of the reserve funds to help pay for the rental pumps if needed.

iv. Alan stated that we may also be able to ask Freeport-McMoRan to use part of the \$112,000 grant to help pay for the rental pumps. We would need to send them a formal request.

v. Alan said that he had asked the USDA if we could pay off our loan as we’ve been paying them a lot in interest. He is looking for ways to refinance loan with another government entity at a lower interest rate.

vi. Alan is also working with our Accountants to consolidate our reserve accounts (see Attachment). We should be able to combine them into three accounts; two required by USDA and one general reserve account.

c. The Financial Reports were approved unanimously.

7. Old Business

a. Status of lift station schedule and activities.

i. Alan Berg stated that we’re still waiting for the concrete pad for the new lift station to cure. The delay was caused by the contractor, File Construction. When Alan asked if we have liquidated damages written into the contract, he was told that we do but they don’t begin until May.

ii. Based on the original schedule, the lift station should have been completed before the end of March. Alan is planning on meeting with File Construction tomorrow to understand the actual schedule.

iii. Alan Berg and Doug Gorthy discussed the fact that neither Stantec or File Construction have been particularly responsive to our concerns. This is because both the State funds and the construction contract are administered by Southwest New Mexico Council of Governments, not us. However, that was how the State funds were allocated, so it’s the system that we are required to use.

b. Status of PNM power line relocation application

i. Alan Berg stated that we recently learned that the power to the lift station would not be in place until mid-May, so Doug Gorthy intervened with PNM. (This long lead-time for power is occurring in spite of the fact that we had submitted our application in July of 2023.)

ii. Doug Gorthy stated that he got in touch with our Representative, Luis Terrazas. Terrazas responded, and both Alan and Doug provided him with additional information. PNM has since started on the right-of-way process, but we are still waiting to see what the next steps from PNM will be. We have been told that the power should be in place by the 1st of April.

c. \$50,000 grant for investigation of the existing sewer lines in Tyrone

i. Alan Berg stated that we had received a \$50,000 grant from NMED for an investigation of our sewer lines. We will use the funds to hire a company to scope our sewer lines and determine whether they require replacement.

ii. We won't be able to obtain funding for new sewer lines if the investigation determines that our current lines still have life – even though it seems silly not to replace them while we are replacing the waterlines.

iii. Alan Berg noted that we may also get \$50,000 from NMFA. If so, we could use those funds for a Preliminary Engineering study for the sewer lines.

d. Collapse of all Moyno pumps and installation and operation of the Rain for Rent pumps at a rate of \$8,600.00 per month for two pumps, suction, and pressure hoses

i. Alan Berg stated that on Sunday, March 3rd, he went to the lift station by accident as he thought it was Monday. He discovered that the last of our Moyno pumps had failed and the sewage had almost overflowed out of the basin. He was able to start the back-up Rain for Rent pump and saved the day!

ii. After a few days, Alan Berg and Eddie Mendoza decided to get a second Rain for Rent pump as a back-up. Without a back-up, if the single pump failed, we would risk releasing sewage into the drainage. TWWA is asking SWNMCOG for emergency funds to help pay for these pumps.

iii. Alan also discussed seeing “fatbergs” in our system; “fatbergs” are a combination of grease and wipes that harden and completely clog sewer systems. Google the term “fatberg” to learn more (and see disgusting photos).

8. New Business

a. Denial of exemption from Grant County Assessor for TWWA parcels

i. Alan Berg stated that he had requested a tax exemption for the TWWA's parcels; this would save us about \$2,000 per year. However, the County Assessor's office denied the exemption (in spite of the fact that the law clearly states that Water-Wastewater entities are exempt). We are in the process of figuring out where to appeal this denial.

b. Approval/disapproval of Resolution 2024-15 AUTHORIZING TYRONE WATER AND WASTEWATER ASSOCIATION (RECEPIENT) TO ENTER INTO A GRANT AGREEMENT WITH THE NEW MEXICO ENVIRONMENT DEPARTMENT (NMED) FOR THE PURPOSE OF OBTAINING PROJECT LOAN SUBSDIDY GRANT FUNDS IN THE AMOUNT OF \$50,000.00; DESIGNATING

THE USE OF THE FUNDS FOR THE PURPOSE DEFINED IN THE MOST CURRENT PROJECT DESCRIPTION FORM AS APPROVED BY NMED; DECLARING THE NECESSITY FOR THE FUNDS; PRESCRIBING OTHER DETAILS CONCERNING THE FUNDS.

- i. Angie Roach made a motion to discuss Resolution 2024-15. Doug Gorthy seconded the motion.
- ii. As the motion was 6 pages long, it was not read aloud. Rather, time was given for the Board and Community Members to review the motion.
- iii. Alan Berg stated that this motion was required for us to receive the \$50,000 grant from NMED. He also noted that we will need similar Resolutions to apply for funding from the Colonias (\$800,000 for water tower rehabilitation and ~\$5 million for the water system).
- iv. A roll-call vote was taken to approve Resolution 2024-15. Doug Gorthy, Alan Berg, and Angie Roach all voted yes. Resolution 2024-15 passed unanimously.

9. Report and Approval of Officers and Committees

a. President's Report

Report on collection of delinquent accounts

1. Alan Berg reported that the collection practices established in the last regular Board Meeting were beginning to produce some results. (Reminder that non-payment of assessments may result in a lien on a house and/or a padlock on the water meter.) Alan stated that we are chipping away at the delinquencies. It's a lot of work, but we need the cash. We received a few thousand dollars of overdue assessments in the last week.

ii. Participation in a community needs assessment, NM Mortgage Finance Authority

1. Alan Berg noted that the NM Mortgage Finance Authority is conducting a community needs assessment. This assessment helps the agency decide where to allocate funds. Alan will place a link to the assessment on TWWA's website, and he requests that Community members consider using it to provide their feedback.

iii. Response from State on Resolution 2024-12 emergency declaration for water tower repairs

1. At the last Board Meeting, a state of emergency was declared for the water tower. Alan Berg stated that he has been discussing the issue with various State Government Agencies. Additionally, he approached the USDA, but they did not respond.

b. Vice President's Report-No Vice President

c. Secretary's Report

- i. Angie Roach pointed out that we had inadvertently skipped the approval of the minutes in Item 3.

Angie Roach stated that we would be voting on the 2nd draft of the minutes which incorporated revisions by Alan Berg; she then made a motion to approve the February 21st minutes as amended. Doug Gorthy seconded the motion. The motion passed unanimously.

d. Treasurer's Report-No Treasurer

e. Doug Gorthy-member

i. Doug Gorthy stated that he had no comment.

ii. Alan Berg brought up the fact that both TWWA and TCA are having issues with PNM. Doug Gorthy, who had previously met Luis Terrazas at the Prospectors, called Representative Terrazas.

Luis Terrazas intervened with PNM so that our lift station construction would not be unduly delayed.

1. This led to additional Community discussion about TCA's attempts to work with PNM regarding our streetlights.

f. Dr. Jesse Lewis-member – Not present.

g. Water Operator - Eddie Mendoza

i. Eddie Mendoza stated that our Consumer Confidence Reports would be coming out soon; all of our water samples were fine. Additionally, we got a response for our Sanitary Survey, and our water quality is good.

ii. On the wastewater side of things, Eddie Mendoza reminded everyone that we're operating on two rental pumps.

10. Public Input

a. Annual Meeting – Alan Berg and Doug Gorthy discussed the upcoming Annual Meeting. In particular, they stated that, by that time, we will know if we are receiving the \$5 million for the water line replacement. The funding is a grant-loan with either an 80-20 or 90-10 split. The loan portion represents a significant amount of money, and the Board will have to decide whether to accept the loan. It would increase our monthly assessments. We need more people to attend to provide public input on this decision which will affect the entire community. It shouldn't be just 3 people making decisions for 320 households. Please attend the Annual Meeting in May!

b. Lead and Copper Rule – Alan Berg and Eddie Mendoza discussed the upcoming deadline for the EPA's Lead and Copper Rule. Eventually, every home in Tyrone will have to be inventoried to determine what material(s) the water lines contain. For the upcoming October deadline, we can submit the information that we have based on the Engineering Plans from Phelps Dodge. (Note: based on the plans, most of our homes were built with copper lines, but these lines may have been replaced by homeowners in the interim.)

A full inventory of our community must be completed in the next 5 years.

11. Adjournment-A. Berg

a. Doug Gorthy made a motion to adjourn the meeting. Angie Roach seconded the motion. The motion was approved unanimously.