

**Tyrone Water & Wastewater Association**  
**Regular Monthly Board Meeting**  
**February 19, 2025**  
**FINAL AGENDA**

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1. Call to order and declare a quorum – Alan Berg
2. Approval/disapproval of Agenda-deletions
3. Approval/disapproval of minutes of January 15, 2024, monthly meeting.
4. Approval/disapproval of minutes of January 22, 2025, special meeting.
5. Approval/disapproval of January 2025 financial reports
6. Old Business
  - a. Status of discussions with USDA/RD and New Mexico Finance Authority (NMFA) regarding transfer and assumption of the existing \$661,000 loan which is in its 12<sup>th</sup> year of a 40-year payment schedule.
    - i. The USDA/RD sent an application for a new loan (conditions attached to agenda)
    - ii. The NMFA board reviewed TWWA’s application for a loan to replace the existing USDA/RD loan on Wednesday February 12, 2025.
    - iii. The loan approval with the NMFA/CIB is contingent on a monthly rate increase of at least \$10.02/per property.
    - iv. The final interview with TWWA and NMFA on the proposed loan will be on Thursday February 27, 2025.
  - b. Lift station issues
    - i. supervisory control and data acquisition (SCADA) communication issue. Complaint filed against File Construction with the Construction Inspection Board due to their delayed responses to warranty issues
    - ii. Mowing weeds in area of the lift station
    - iii. Metal shed at lift station-electrical and structural-David Stapp
  - c. Status of water tower rehabilitation design documents for bidding.
  - d. TWWA received raw data from wastewater line video work which has been completed by the sewer line investigation sub-contractor. Bohannon Huston Inc. has the data for their technical memorandum. The technical memorandum is a precursor for the 2025 Colonias Infrastructure Board request that we are in the process of completing for the design of a new wastewater system. We are requesting \$500,000 for the design phase.
  - e. Progress on collection of delinquent accounts.

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7. Report on audit for fiscal year 2024. Exit interview with Carney Foy CPA on Wednesday February 12, 2025. Audit was submitted to the State Auditor's portal on Friday February 14, 2025 by Carney Foy CPA.
8. New Business
  - a. Approval/disapproval of Resolution 2025-13 Increase fees or assessments to meet the loan conditions from the New Mexico Finance Authority Public Project Revolving Fund and the Colonias Infrastructure Fund
    - i. Option One: Increase the monthly assessment from \$65.00 per month to \$75.00 per month.
    - ii. Option Two: Increase the \$10.00 per month charge on the water bills for water system maintenance to \$20.00 per month
  - b. Approval/disapproval Resolution 2025-14 Authorizing the Board President and the Board Secretary to be signatories on the Western Bank account, replacing Mike Morones as the sole signatory. This is part of the move away from the existing accounting relationship with Morones & Associates. Our goal is to have all accounting services changed by the end of Fiscal Year 2025.
  - c. Approval/disapproval of Resolution 2025-15 Disposition of obsolete vehicles and equipment. Set an auction date for (1) 1999, Ford F-150 ½ ton pickup truck VIN-1FTEF14HXSLB07732, (2) 2002 Ford F-150 ½ ton pickup truck VIN-1FTRFI7222KD14811, and (3) 2006 JCB Model 214 backhoe. Serial Number: S000412. All items are in poor condition.
9. Report and Approval of Officers and Committees
  - a. President's Report-fiscal year 2026 discussion on TWWA management: accounting, grant writing, liaison between TWWA and agencies, increase in operator's duties
  - b. Secretary's Report
  - c. Treasurer's Report-No Treasurer
  - d. Doug Gorthy-member
  - e. David Stapp-member
  - f. Elizabeth Gonzales-member
  - g. Water Operator - Eddie Mendoza
10. Input from property owners and residents
11. Adjournment-A. Berg

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Requirements from USDA/RD for application to assume TPOA's loan.

1. Formal Written Request signed by the President of the Board to review for Transfer and Assumption of the current USDA-Loan and Grant for Tyrone Property Owner's Association, to include the following information and certifications.
  - a. A description of the facility and its current condition.
  - b. Discussion as to the need for the transfer to a new entity.
  - c. Discussion as to why the need to assume RD's debts by the new entity.
  - d. Certification of users for the current year and the prior 5 years. Please indicate each year's corresponding number of connections broken down by category. (Residential or Commercial)
  - e. Certify how the assuming entity plans to demonstrate ability to operate the facility.
  - f. Statement that the new entity will assume the debt with the current rates and terms.
  - g. Statement that the new entity will abide by all existing borrower's responsibilities regarding the transfers of the loans and grants.
  - h. Statement that the assuming entity will also agree to accept the original loan and grant conditions, plus any conditions set forth by the Agency regarding the transfer.
  - i. Certification and Justification that the entity is unable to finance the loan through other means of commercial credit.
2. Application for Federal Assistance – SF424
  - a. According to the Association's by-laws, this form should be signed by the President of the Board.
3. Entity Documentation for Tyrone Water and Wastewater Association
  - a. ~~Articles of Incorporation & Bylaws with all amendments~~
  - b. ~~Certificate of Good Standing from Secretary of State~~
  - c. Entity Legal Opinion from Attorney Attached is a template opinion for the Association's Attorney to use.
4. Signed resolution or minutes of transferor and transferee approving the transfer and assumption
5. SAM Registration showing UEI No for TWWA
6. ~~Application for Partial Release, Subordination or Consent (Form 465-1), signed by borrower's authorized official.~~

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- ~~a. This form will be required once a final decision is received from NMFA on the refinance.~~
  - ~~b. Complete all of page 1 & 2~~
  - ~~c. All fields must be updated to reflect current ownership.~~
- ~~7. Purchase or sales agreement between parties outlining the conditions of the transfer and assumption.~~
8. Draft Form RD 1951-15 Community Programs Assumption Agreement
9. Prior 3 Years of audited financial statements. If audits are not available, please provide the EOY financial statements for both entities. (TPOA & TWWA)
  - a. To include FY2021, FY2022, FY2023
10. Most recent Balance Sheet, Income Statement, and Statement of Cash Flows for both entities.
  - a. To include FY2024
  - b. All reserve accounts should be clearly identified and match the required balance at this time.
  - c. All Utilities should be separated on the financial reports
  - d. All reports must be dated no older than 90 days of this request and should be formatted similar to the audited financial statements.
11. Assuming Entity (TWWA) - Proposed budget reflecting income and expenses for the first typical year, including additional debt, following this request.
  - a. If there is construction involved, the budget must be projected through the first FULL year of operation following completion of planned improvements. (This may require 2 years of projections due to the construction schedule and Fiscal year-We have received the projected budget through 2027. If the proposed improvements will not be in service by July of 2026, please provide the Associations proposed budget for FY2028.
12. Applicant Narrative – Complete and Return attached form

**APPLICANT NARATIVE – WATER AND ENVIRONMENTAL PROGRAMS**  
**New Mexico USDA Rural Development**

Full Legal Name of Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Primary Contact for Project: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

1. **Project Contacts** (attach additional sheets if necessary):

	Name	Organization	E-mail	Phone
Mayor/President/Chair				
Clerk/Secretary				
Engineer				
Legal Counsel				
Bond Counsel				
Auditor				
Environmental Preparer				
Lender				
Other				

2. **Applicant Board/Council.** Please list current board/council members and any other employees, the city where their personal residence is located, their position, and term of service.

Member	City of Residence	Position	Term

3. **Employee Relationship.** Are any of the above related to, or closely associated with, any employee of Rural Development? If yes, who? \_\_\_\_\_

4. **Proposed Security.** Describe the security available for a loan (ie. GO Bond, Revenue Bond, mortgage, etc.)
5. **Current Indebtedness.** Provide a complete list of all outstanding non-RD obligations which are liens upon, or payable from, the proposed security (attach additional sheets if necessary):

Owed to	Purpose	Balance Owed	Term	Maturity Date	Annual Payment	Annual Reserve	Interest Rate	Security	Income Source
TOTAL									

**6. Conflicts of Interest Policy and Disclosure**

We certify that we have an up-to-date written policy on conflict of interest, that includes (1) a requirement for those with a conflict or potential conflict to disclose the conflict/potential conflict; (2) a prohibition of interested members of the applicant’s governing body from voting on any matter in which there is a conflict; and (3) a specific process describing how the governing body will manage identified or potential conflicts of interest.

do not

We further disclose that, we \_\_\_\_\_ have an identified or potential conflict of interest as it relates to the planned transactions anticipated with the Federal funds we are applying for.

**7. Other Credit**

We certify that, to the best of our knowledge and belief, we are unable to finance the proposed project from our own resources or through commercial credit at reasonable rates and terms.

**8. Outstanding Judgments**

We certify that, to the best of our knowledge and belief, no outstanding judgment has been obtained and recorded by the United States of America in a Federal Court (other than in the United States Tax Court) against our organization. We further certify that there are no outstanding indications of discrimination in providing our services.

**9. Prohibited Tying Arrangements**

We certify that, if applicable, as a provider of electric services, we will not require users of a water or sewer system financed by Rural Development to accept electric service as a condition of receiving assistance.

**10. Inspection**

We request part-time inspection, if appropriate, for our proposed project.

We certify that, to the best of our knowledge and belief, the above information submitted on this form is correct. If our project is selected to receive loan funds, it is our wish to receive the lowest interest rate possible, selecting between the rate at the time of obligation or at the time of closing.

Signature of Applicant Representative \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_