

Tyrone Water & Wastewater Association Board Meeting
March 26, 2025 – 6:30 P.M. – Tyrone Community Center
Draft Minutes
Website: tyronewater.org

- 1. Call to order and declare a quorum – Alan Berg**
 - a. Alan Berg called the meeting to order. Alan Berg, Doug Gorthy, and Angie Roach were present in-person; Elizabeth Gonzales attended via Zoom. Alan Berg declared a quorum.
- 2. Approval/disapproval of Agenda-Deletions**
 - a. Alan Berg stated that there were no deletions to the agenda. Doug Gorthy made a motion to approve the agenda as presented. Angie Roach seconded the motion. The agenda was approved unanimously.
- 3. Approval/disapproval of minutes of February 19, 2025, monthly meeting**
 - a. Doug Gorthy moved to approve the minutes of the February 19, 2025 meeting as presented. Elizabeth Gonzales seconded the motion. The minutes were approved unanimously.
- 4. Approval/disapproval of February 2025 financial reports**
 - a. Doug Gorthy made a motion to discuss the financial reports. Angie Roach seconded the motion.
 - b. Alan Berg introduced Jennifer Klotz, Silver Bookkeeping as our new accounting firm. He stated that future financial reports will look different, be easier to understand, and will contain accurate numbers from the bank.
 - c. Alan referred to the Statement of Financial Activity.
 - i. We received \$22,913 from Assessments and \$2270 from the Town of Silver City (ToSC) for Water Fees.
 - ii. Alan Berg noted that the Grants number was not accurate. Jennifer Klotz elaborated that she found that Morones had placed our grant-funded projects in the category for our Revenues. This should have been in its own Grant Expense category. Jennifer will work on getting this fixed going forward. We are required to report how our grant funds are spent and fixing this will make it easier to do that.
 - iii. Our expenses include “Repairs and Maintenance” (e.g. when we hire HEI) and “Water R & M – System R & M” (i.e. Eddie Mendoza). This will be cleaned up in future reports too.
 - d. Alan Berg referred to the Monthly Statement of Activity
 - i. Alan stated that we need about \$20,000 per month to meet our budget needs. We are close to that number, but it can be difficult to discern from the way the grant funds are included in these statements.
 - e. Questions and Comments from the Board and Community.
 - i. Will we move to an accrual system going forward? Yes
 - ii. Is the \$7720 for insurance a monthly expense? No, this is quarterly, but we actually pay it monthly. The insurance company sends us monthly statements.
 - iii. Comment to Jennifer Klotz: ‘whatever (forms) you make, please make it so we can understand what’s going in and out of our accounts’.
 - iv. What is the \$2270 from the Town of Silver City (ToSC)? The \$10 per month from water bills. We’re still not getting the amount that we should be.
 - v. Is the ToSC keeping track of it? Very poorly. They can’t figure out what is going on.
 - vi. So, we’re relying on them? Yes. The only other thing that we can do is file a Freedom of Information Act request. They are making an honest but ineffective attempt to fix the system.
 - vii. What are the payments to Bohannon Huston? These are for the design of the water tower rehabilitation. The money is coming from the Freeport-McMoRan grant.
 - f. The Board voted unanimously to approve the Financial Reports.

5. Old Business

a. USDA/RD application process update

- i. Alan Berg stated that he asked Melanie Goodman of Ben Ray Lujan's office about the USDA/RD application for a new loan. She contacted the Washington DC office for the USDA and was told that they are working on it. Part of the problem is that USDA employees are quitting the agency due to DOGE.

b. New Mexico Finance Authority loan schedule (attached)

- i. Alan Berg noted that we're still working on the New Mexico Finance Authority (NMFA) loan. We will have a resolution to accept this loan in April's Board meeting. Then the USDA will be out of the way of our projects.
- ii. Alan noted that the downside of the NMFA loan is the higher interest rate; we will be paying about 6.4% instead of the current 3.125%.
- iii. Questions and Comments from the Board and Community:
 1. Will this new NMFA loan affect our monthly payments? We will increase the assessments by \$10 per month (to \$75 per month) on July 1st. The NMFA wouldn't give us the loan if we didn't raise our fees.
 2. What if this plan (to get NMFA loan and pay off USDA loan) fails? There could be other funding available, but it'd be 1-2 years down the road, and we're worried that our water tower could fail at any time.
 3. What can we do about the water tower issue? We may work with the Freeport-McMoRan grant funds to begin piecemealing the water tower project; we need to start with replacing the altitude valve box.
 4. We have also learned that our sewer lines need replacing; this is roughly estimated to cost \$8 million. The old lines are made of vitreous clay and are falling apart. We have asked the engineers to plan to do it concurrently with the water lines. We have the \$500,000 grant from the Colonias to design the new sewer lines. So, we're trying to get all the projects to work together, but we do have concerns about the water tower in the meantime.

c. New accounting firm, Silverbookkeeping, Jennifer Klotz, report on activities to date and new office hours for TWWA

- i. Alan Berg stated that we have hired Jennifer Klotz as our accountant, and that Morones would be out of the picture shortly. Alan also noted that Eddie Mendoza will hold office hours to collect checks and run credit cards for our monthly assessments. We are not able to accept payment via the mail.
- ii. Jennifer Klotz introduced herself. She stated that she moved here in 2019 to be the Controller at the hospital. In that role, she became familiar with local government and has also worked with Priscilla Lucero.
- iii. Jennifer stated that she plans to send out monthly statements to residents, so that they know where they stand. Some properties may have credits or balances, and she wants to clean up any issues that may be related to that. Jennifer will need email addresses, so that she can send these statements out monthly.
- iv. Jennifer and Alan stated that there should not be any change for anyone currently on an ACH payment. The only change is for people who pay by check or credit card; these payments will now be accepted by Eddie Mendoza during his office hours: Monday and Wednesday, 10am – 2pm in the Community Center. You may also mail a check to PO Box 570, Tyrone, NM 88065. Please do not use TCA's suggestion box.
- v. Questions and comments from the Community:
 1. I send my ACH directly to Morones; will that need to be changed? Yes, the hand-off will be this week.
 2. Will you give us the address for ACH payments? It shouldn't change; these payments go to the bank. The only change will be for folks who have been mailing in payments.

d. Shed at lift station progress

- i. David Stapp and Eddie Mendoza stated that they are finishing the floor of the shed.

e. Lift station notification circuit issues. (Eddie Mendoza)

- i. Eddie Mendoza stated that the Electricians visited the lift station and confirmed that we would not get an alarm if the power went out or the back-up generator kicked on. The alarms were not in the plans produced by the Engineers (Stantec).
- ii. Eddie talked to the control systems company. They confirmed that they could retrofit an alarm system. He is waiting for an estimate from them.
- iii. Questions and comments from the Board and Community:
 1. How long can the generator run with propane? At least a week if the propane tank is full, but an isolated electric pole (that doesn't run anything other than our lift station) might take PNM weeks to fix.
 2. What is the estimated cost to retrofit the system? About \$2000. The new alarm would trigger both a phone call and an alert on the phone app.
 3. Isn't this something the Engineers should have included in their design? It's a best practice. It's not required, but it would have been wise to include it.

f. Fiscal Year Audit (Tier 6 Agreed Upon Procedures) status

- i. Alan Berg stated that the AUP documents were turned in to the State. We did have significant findings; these were the same findings as we've had for the last three years and that Jennifer Klotz will be working to fix.

g. Board training and education opportunities with RCAC and the New Mexico Environment Department

- i. Alan Berg reminded the Board that they are supposed to maintain a certain number of training hours per year.

h. 2025 Capital Outlay Request for \$100,000 for service truck and equipment was approved by the legislature.

- i. Our request for a 100% grant for a truck and equipment for our water operator (Eddie Mendoza) to use was approved. The State maintains a list of pre-qualified vendors that we can use to purchase the vehicle and equipment (e.g. spare valves, camera).

6. New Business

a. Approval/disapproval of a motion to accept the resignation of David Stapp on March 1, 2025

- i. Doug Gorthy made a motion to accept the resignation of David Stapp. Angie Roach seconded the motion.
- ii. Several people spoke thanking David for all his hard work on behalf of the Tyrone community! A hearty round of applause followed.
- iii. Alan Berg reminded everyone that there is now another Board position available. It's an important job; our house values depend on our infrastructure. Doug Gorthy stated that this is the best Board that he's ever been associated with, and he encourages people to step up, provide input, and help us be successful in improving Tyrone.
- iv. A vote was taken, and David's resignation was accepted unanimously.

b. Appointment of new Board member. Nominations from the members of the Board of Directors.

- i. Alan Berg requested volunteers for the Board, but there were none.

c. Approval/disapproval Resolution 2025-16. Closing of First American Bank account ending in8526 and transfer of assets to TWWA's business account at Western Bank Silver City, New Mexico.

- i. Doug Gorthy moved to approve Resolution 2025-16. Angie Roach seconded the motion.
- ii. Alan Berg read the Resolution aloud. There was no discussion.
- iii. A roll-call vote was taken. Alan Berg, Doug Gorthy, Elizabeth Gonzales, and Angie Roach all voted yes. The motion passed unanimously.

7. Report and Approval of Officers and Committees

a. President's Report

- i. Alan Berg stated that we've updated the lien on a property that is set to go to auction. We will lock out the water meter until the lien is paid off.
- ii. We currently have about 15 liens on properties. We don't want liens; we want people to

pay their assessments.

b. Secretary's Report - Nothing to report.

c. Treasurer's Report-No Treasurer

d. Doug Gorthy-member

- i. Doug began by welcoming Jennifer Klotz and then thanked David Stapp for his work. Doug noted that it would be nice if someone took David's place on the Board.
- ii. Doug stated that Alan Berg and Angie Roach put in a lot of work outside of the regular Board meetings. Alan Berg, in particular, puts in an enormous amount of time on behalf of the Community. Doug stated that he felt that it would be nice if they could be compensated somehow, but State law makes that illegal.
- iii. Alan Berg responded that Eddie Mendoza was hired as a water operator, but we've been steadily giving him more duties. Perhaps in the future, we may be able to hire some administrative help as well. A looming issue is the \$9 million-worth of upcoming projects we may need to hire someone for field oversight of all this construction work.
 1. Question: The HOA had a full-time, paid property manager; will that ever happen again? We don't know. It would require that we have adequate budget and also approval in the Annual Membership meeting.
- iv. Doug asked about the timing of the start of our upcoming projects (assuming NMFA loan and Colonias grants are received)? Alan stated that it'd likely be in 2026. We're still hoping to do the water and sewer lines at the same time. The work at the water tower could go forward first and may still be completed this year.

e. Elizabeth Gonzales-member

- i. Elizabeth thanked David for serving on the Board and wished him luck on his adventures. She also congratulated Jennifer Klotz in her role as our new accountant.

f. Water Operator - Eddie Mendoza

- i. Eddie Mendoza stated that "our water is running". Seriously though, we are in compliance with all of our water testing. He is working on the Consumer Confidence Report and will send that out soon.
- ii. We sent out letters providing updates on the TWWA projects, but some of the letters were returned. Eddie is working to update our mailing list as well.

8. Input from property owners and residents

- a. What is the status of the ongoing open sewage issue at a personal residence? Alan Berg stated that the owner was told that if the issue was not fixed by April 1st, we would turn his water off.
- b. Reminder: if you call a roto-rooter for a sewer issue, please also call Eddie so that he can intercept any roots that are cut before they impact our brand-new pumps.
- c. David Stapp noted that he bought his house in January 2024, and he felt that the realtor did not provide much information on the TCA and TWWA. When he attended meetings of these groups, he felt that the situation regarding our infrastructure had not been adequately disclosed.
- d. David's comment led to additional discussion on the general topic:
 - i. What's happening here is no different than any 60-year-old community in the Country. Every community in this area is fighting the same battle.
 - ii. TWWA sent a letter to the Real Estate agents addressing all the work going on behind the scenes. TCA also sent letters to all Real Estate agents and Brokers.
 - iii. 5-years from now, we'll have the best water and sewer systems in the area.
- e. David Stapp ended with a thank-you to the Board: "Everything has evolved from 'Oh my gosh' to where we are today".

9. Adjournment-A. Berg

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