

**TYRONE WATER & WASTEWATER ASSOCIATION BOARD MEETING
FEBRUARY 15, 2023 – 6:30 P.M. – TYRONE COMMUNITY CENTER
Draft Minutes**

1. Call to order and declare a quorum – Sean Geary Vice-President

- a. Meeting was called to order. Sean Geary, Doug Gorthy, and Angie Roach were present in-person. Alan Berg called in on the phone. Alan Berg declared a quorum.

2. Approval/disapproval of Agenda-Deletions-S. Geary

- a. Alan Berg stated that he would read both the financial report (Item 4) and the report from Richard Maynes (Item 6b). Alan Berg asked if there were any deletions from the agenda. Hearing none, Alan Berg moved to approve agenda as presented. Seconded by Sean Geary. All members approved the agenda as amended.

3. Approval/disapproval of minutes of the January 18, 2023, Meeting-A. Roach

- a. Sean Geary made a motion to approve the minutes as presented. Seconded by Doug Gorthy. The motion carried unanimously.

4. Approval/disapproval of January 2023 financial report-Karen Monroe

- a. a. Alan Berg provided a high-level overview of the financial report.
 - i. Revenue for January was \$36,062.78, and expenses were \$27,547.85. Revenue included a number of property owners paying their assessment as a lump sum for the entire year, so revenue will level off in future months.
 - ii. Large expenses included pump failure on New Year's Eve; \$4013.94 in invoices for that event so far with one more invoice coming. Additionally, we had a \$2,009.74 invoice from Silver City for lost water; we will continue to work with them on a better system for measuring this.
 - iii. Alan Berg made a motion to accept the January 2023 Financial Report. Sean Geary seconded the motion. The motion carried unanimously.

5. New Business

- a. **Approval/disapproval of Resolution 2023-07 A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY," OR THE "LENDER/GRANTOR")**

AND THE TYRONE WATER AND WASTEWATER ASSOCIATION (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF TYRONE, IN THE TOTAL AMOUNT OF \$382,320, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN OF REPLACING EXISTING ASBESTOS-CEMENT PIPES THROUGHOUT TYRONE, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$76,464 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$305,856; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

- i. Alan Berg noted that this Resolution approves the Colonias Loan/Grant. The actual Resolution is 14 pages long and will be available on the website for review if approved.
- ii. Angie Roach read the summary given above in lieu of reading the entire 14 pages of the Resolution.
- iii. Question from Doug Gorthy: Who came up with this figure (i.e. \$382,320)? Richard Maynes and Stantec based on preliminary Engineering Study – basically it’s based on the Scope of Work. This is true for the next two Resolutions as well.
- iv. Debbie Edwards, TWWA’s Attorney, summarized her review of the documents: 1. This is a standard Grant/Loan agreement, 2. It requires us to use the money for the purposes described, 3. The loan is 0% interest for 20 years, and 4. We are required to comply with procurement laws.
- v. Angie Roach stated that the Resolution 2023-07 was complete and made a motion for approval. Doug Gorthy seconded the motion. A roll-call vote was taken. Alan Berg, Sean Geary, Angie Roach and Doug Gorthy voted to approve the motion. Jenny Robertson was absent.

Alan Berg provided a synopsis of Resolutions 2023-09 and 2023-10. Both Resolutions are to approve applications for Colonias Infrastructure Grants. Both of these projects would be at least 2 years out, but we have to approve the Resolutions to move forward.

- 2023-09 is to apply for a \$8 million grant to replace the waterlines. We would have to pay back 20% of this money.
- 2023-10 is to pay for an assessment of the condition of our Water Tower and any minor improvements it may need.

b. Approval/disapproval of RESOLUTION NO. 2023-09 SUPPORTING AN APPLICATION TO NEW MEXICO FINANCE AUTHORITY UNDER THE COLONIAS INFRASTRUCTURE FUND for THE REPLACEMENT OF TRANSITE WATER LINES, FIRE HYDRANTS, AND WATER VALVES WITHIN THE TOWNSITE.

- i. Doug Gorthy read the summary of 2023-09.
- ii. Board members made quick calculations. Of the \$8 million, the loan portion would be \$1.6 million. This is equivalent to \$20 per property per month for 20 years.
- iii. Sean Geary made a motion to approve Resolution 2023-09. Angie Roach seconded the motion. The motion carried unanimously.

c. Approval/disapproval of RESOLUTION NO. 2023-10 SUPPORTING AN APPLICATION TO NEW MEXICO FINANCE AUTHORITY UNDER THE COLONIAS INFRASTRUCTURE FUND for WATER SYSTEM IMPROVEMENTS INCLUDING UPGRADES TO THE 200,000 GALLON WATER TOWER.

- i. The Board and Eddie Mendoza clarified that this money is for repair and maintenance of the water tower (not replacement). Eddie Mendoza stated that the tower should be inspected every 5 years; the last inspection was in 2019.
- ii. Sean Geary made a motion to approve Resolution 2023-09. Angie Roach seconded the motion. The motion carried unanimously.

d. Scope of work for local, state, and federal projects requiring engineering and design services is out for bid. Bids due back on February 22, 2023. 4 entities received bid packages. A. Berg

- i. Sean Geary and Alan Berg discussed this bid to hire an engineering firm to act as our agent in writing applications for infrastructure funds and for reviewing designs.

- ii. The bid package was sent to four firms: Stantec, Bohannon Huston, Smith, and Souder Miller.
 - iii. The committee to review the bids consists of Alan Berg, Sean Geary, Scott Robertson. The committee will review pricing, technical capabilities and responsiveness to scope of work and then will make a recommendation to the Board. The Board will make the final decision in accepting a bid.
- e. **New Mexico Gas Company will provide the TWWA with their video files of inspections of the townsite sewer mains and some laterals. (laterals go from the sewer line in the street to the individual residences). Eddie Mendoza will evaluate the data and make recommendations to the TWWA.**
 - i. Alan Berg requested videos from NM Gas Company where their lines intersect our sewer lines. This would allow us to assess the condition of our sewer lines. If our sewer requires replacement, it would be ideal to do it at the same time as the water lines.
 - ii. So far, we know that some of the lining of the sewer has started to separate and also that several laterals on Azurite have collapsed.
 - iii. Eddie Mendoza stated that he will review the files; they cover most of the residential area. He will try to match bad spots to specific properties so that we can contact the owners. This will allow the owners to be proactive in making repairs.

6. Old Business

- a. **Status of the Colonias Infrastructure Fund contract negotiations with the State of New Mexico. The \$380,320 loan/grant approval process is ongoing between our attorney and the State of New Mexico. A. Berg**
 - i. Debbie Edwards stated that we must send the documents by the end of February and that the closing date is the end of March.
- b. **Update on lift station design and next step in the process. Richard Maynes, Stantec Consulting Engineers**
 - i. Alan Berg reviewed an email that he received from Richard Maynes. Stantec is continuing work on the 90% design submittal. They have found that the cost for the sump and pump have increased by \$100,000 over initial estimates; this may push us against our grant limits.

- ii. Additional discussion points included: 1. We are also requesting a climate-controlled structure for the electronics – not just a “shed”.
2. Stantec will meet with us face-to-face in March.

c. Management of delinquent accounts-A. Berg D. Gorthy

- i. Doug Gorthy and Alan Berg discussed their meeting with Jonathan Diener regarding the management of delinquent accounts.
 - 1. Jonathan Diener has agreed to look into how we can collect on delinquent accounts and what makes sense since we have two associations (TWWA and TCA).
 - 2. He will review the various options including foreclosure proceedings, judgements, liens and shutting off water meters.
 - 3. Jonathan Diener also suggested that whenever we get people who are delinquent to pay off what they owe, that we should then require them to go on autopay.
 - 4. Questions from the Board and Community Members:
 - a. Did we receive any backlash on the extra \$5 on the water bill? No
 - b. How much are we owed? About \$45,000 in arrears; mostly from a handful of properties.
 - c. Why are people not on autopay? They just don't like it; they like having control of their payments.
 - d. If people pay a lump sum, does it occur at the beginning of the year? Yes, these lump sums can help us absorb low months later in the year.

d. Status of bifurcation of Tyrone assets between TWWA and TCA. A. Berg

- i. Alan Berg discussed the current status of the bifurcation of assets between TWWA and TCA.
- ii. In January 2022, when TWWA and TCA were created, the TPOA never officially gave the Community properties to TWWA. On February 10th, TPOA reconvened in an Executive Meeting and passed a resolution to cede the properties to the TWWA. We thank Priscilla Lucero and Debbie Edwards for ensuring this happened!
- iii. The next step is the bifurcation between TWWA and TCA. Further discussion is needed and we urge Community members to get involved in the discussion.
- iv. Questions from the Board and Community Members:

1. RCAC advised the bifurcation of the Boards; was that wrong? In the meeting with John Diener, we learned that it might not have been such a “bright line”. Public moneys couldn’t be given to the TPOA, but perhaps there were other options than bifurcation.
2. Does the bifurcation mean that both organizations require insurance? Yes, so approximately \$13,000 per year x 2.
3. Should we remain bifurcated or should one of the organizations exist as a sub-entity of the other in order to limit expenses? This is not resolved.

Report and Approval of Officers and Committees

e. President’s Report-Alan Berg

- i. Alan Berg stated that Jenny Robertson submitted her resignation from the Board; we will need to officially accept her resignation at the next meeting.

f. Vice President’s Report-Sean Geary

- i. Nothing to report.

g. Secretary’s Report-Angie Roach

- i. Nothing to report.

h. Treasurer’s Report-

- i. Jenny Robertson not present (see President’s Report above).

i. Water Operator - Eddie Mendoza

- i. Eddie Mendoza stated that things have been good at the lift station this month. Kenny and his wife have been cleaning the basket which helps tremendously.
- ii. One of the water lines “popped” at the shop. It’s not been completely repaired, but it is currently shut off. We will repair this line when time and money are available.
- iii. Everyone on the Board will be required to have training in water operations within two years.

j. Member at Large-Doug Gorthy

- i. Doug Gorthy pointed out that we will need a Treasurer or even just someone willing to be on the Board (as Karen Monroe will do the lion’s share of the accounting work for us). Please let us know if anyone is interested in joining the Board.

7. Public Input (limited to 3 minutes/person)

- a. No additional comments or questions.

8. Approval/Disapproval to move into Executive Session pursuant to NMSA 1978 Section 10-15-1(H)(7) for the Discussion of matters subject to the attorney-client privilege pertaining to litigation in which the public body is or may become a participant.

- a. Alan Berg made a motion to move into an Executive Session. Sean Geary seconded the motion. The motion carried unanimously.

9. Reconvene public participation portion of the February 16, 2023, TWWA Board meeting from executive session.

- a. Alan Berg made a motion to reconvene public participation portion of the Board Meeting. Sean Geary seconded the motion. The motion carried unanimously.

10. Adjournment-S. Geary

- a. Alan Berg made a motion to adjourn the Board Meeting. Sean Gary seconded the motion. The motion carried unanimously.