

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, April 18, 2018 at our La Mesa Office, 521 Saint Valentine., La Mesa NM

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office—call 575-233-5742 for information

- I. **Call to Order, Roll Call to Establish Quorum:** Chairman Mike McMullin called the meeting to order at 9:30 a.m. and called roll. Mr. Raymundo Sanchez representing District #1 was absent, District #2 is vacant, Mr. Joe Evaro representing District #3 was absent, Mrs. Esperanza Holguin representing District #4 was present, Mr. Henry Magallanez representing District # 5 was present, Mr. McMullen representing District #6 was present, Mr. Furman Smith representing District #7 was present. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Operations Manager Mike Lopez, Finance Manager Kathi Jackson, Projects Specialist Patricia Charles and Project Specialist Angie Meza. Guests in attendance were Phyllis J. Smith, President of the Talavera MDWCA Board Bill Noland and Vice-President of the Talavera MDWCA Board Karen Perez.
- II. **Pledge of Allegiance:** Mr. McMullen led the pledge of Allegiance.
- III. **Motion to approve Agenda (VIII A. may be postponed, move IX. D & IX E to follow VI):** Mr. Smith made the motion to approve the April 18, 2018 agenda with IX.D and IX.E to follow VI. Item VIII.A will not be postponed. Item 9.E will be postponed for next month's Board Meeting. Mrs. Holguin seconded the motion. The motion passed with all in favor.
- IV. **Approval of Minutes**
 - A. **Motion to approve the minutes of the March 21, 2018 Regular Board Meeting:** Mrs. Holguin made the motion to approve the March 21, 2018 minutes and Mr. Magallanez seconded the motion. The motion passed with all in favor.
 - B. **Motion to approve the minutes of the April 4, 2018 Special Board Meeting:** Mr. Smith made the motion to approve the April 4, 2018 special board meeting minutes and Mrs. Holguin seconded the motion. The motion passed with all in favor.
 - C. **Motion to approve the minutes of the April 16, 2018 Special Board Meeting:** Mrs. Holguin made the motion to approve the April 16, 2018 special board meeting minutes and Mr. Magallanez seconded the motion. The motion passed with all in favor.
- V. **Presentations:** None
- VI. **Public Input:** None

At this time the LRGPWWA Board addressed items IX.D and IXE to follow next.
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. He met with the NMED inspector at the Mesquite Wetlands, there will need to be some grading done there. We will have to abandon the 5 monitoring wells and drill three new ones. It will cost some money, but we will have an assessment done to see what the estimated cost will be. There will be an additional cost to the Hwy 70 bore. The additional cost will be about \$6,100.00 due to a mix up in the size of the lines, but will remain within the project budget. One of our operators resigned and hired two operations employees and one finance employee. One of our current operators obtained the Small System Operator Certification. Attached is a copy of the DAC approved upgrades list of roads. The highlighted streets are the streets in which LRGPWWA has water lines. Operations will have to coordinate with DAC to make sure that our lines are not affected in the process. The work will probably start next year.
 - B. **Projects:** Ms. Nichols provided a written report and stood for questions. Ms. Nichols indicated that she did not have anything to highlight on the report. The contract for the Central Office with Wilson & Company is nearly

complete, they have a draft ready. The person that prepares the contracts at Wilson & Company has been out sick. This item will be on next month's agenda. Ms. Nichols excused herself from the meeting due to a medical appointment. She informed the board that Projects Specialist Angie Meza would be stepping in to help with the audio recording of the board meeting.

- C. **Operations:** Mr. Mike Lopez provided a written report and stood for questions. He mentioned that the reason why he did not provide a report and did not attend the meeting is because Well #2 (Butterfield Park) was pumping at 45 GPM the normal rate is 190 GPM. He had to trouble shoot the well and had to have State Wide Drilling pull the pump out. They found a round part of the check valve stuck inside the pipe above it, the repair cost was about \$8,000.00. This past weekend the Arroyo well was having problems. The electrician took apart the Electric panel and was able to replace the breaker. Mr. Smith said that, the electric panel needs ventilation in order for it to work properly. Mr. Mike Lopez said he would mention the need for ventilation to the electrician.
- D. **Finance:** Ms. Jackson provided a written report and stood for questions. Revenues month to date activity was \$300,000. Quarter to date activity was \$750,000.00 and the year to date activity was 2,600,000.00. Revenue is currently 6% higher that expected and the expenses are currently 6% below projections. Over all we are within the Approved Budget and we have a 12% cushion. There are a few expenses that are over budget but we will move funds or reclassify expenses during the last quarter to finish the year in budget. The FY2018 Audit Contract has been submitted to the OSA for approval. We have hired John Schroder he is retired from the Navy. He worked at several accounting companies and also worked a manufacturing company in Arizona, where he did some inventory work. Ms. Jackson is happy to have him on board.

VIII. Unfinished Business

- A. **Appointment of Director for District 2:** Mr. Lopez informed the board that he had an individual from District 6 requesting to represent District 2. Mr. Lopez informed the individual that we could not do that legally the person has to live in the District in order to represent the particular District. Mr. Smith said he thought the board had changed that policy. Mr. McMullen said they had talked about making changes but never did, he thinks they need to make changes to that policy. Mr. Lopez suggested that at the next elections maybe making a change to ready "If LRGPWWA is unable to find someone that lives in the District to represent that District within 45 days, then it should be opened to the membership". District 2 has been vacant approximately 2 years now.
- B. **Motion to approve purchase of either: (A) Employee Disability Policy for \$2,000/mo. Up to 24 months, or (B) Long-Term Employee Disability Policy of 60% of pay up to \$6,000/mo. Until Social Security normal retirement age + Short-Term Disability & \$25k Life Insurance Policy, or (C) Long-Term Employee Disability Policy of 60% of pay up to \$6,000/mo. for 5 years + Short Term Disability & \$25k Life Insurance Policy {NOTE: Short-Term Employee Disability is 60% of pay up to \$1,000/wk. for 13 weeks}**
 - i. **Determine percentages of cost of Employee Disability Policy to be paid by the LRGPWWA**
 - ii. **Motion to authorize an update of the Employee Policy Manual Employee Benefits section based on the plan selected**

Mr. Lopez said there are 3 options to look at. Option A. costs \$55.00 per employee includes disability for \$2000 per month up to 24 months. Option B. costs \$54.00 per employee includes long-term disability of 60% of pay up to \$6000 per month until SS retirement age, plus short-term disability of 60% of pay up to \$1000.00 per week for 13 weeks includes a \$25K life insurance. Option C. costs \$46.00 per employee includes long-term disability up to \$6000.00 per week for 5 years, short-term of 60% of pay up to \$1000.00 per week and \$25K life insurance. Mr. Smith asked Mr. Lopez what his recommendation would be. Mr. Lopez said he recommended Option B. Mrs. Holguin made the motion to approve Option B, Mr. Smith seconded the motion. Motion passed with all in favor. Mrs. Holguin made the motion to approve LRGPWWA paying 100% of Option B disability plan. Mr. Smith seconded the motion. The motion passed with all in favor. Mrs. Holguin made the motion to authorize an update to the Employee Policy Manual Employee Benefits section based on the selection of Option B. Mr. Smith seconded the motion. The motion passed with all in favor.

IX. New Business

- A. Approve 3rd Quarter Budget Report w/Resolution – due April 30, 2018:** Mr. Lopez said that the resolution is for the report that Kathi presented in her financial report. Mr. Smith made the motion to approve the 3rd quarter Budget Report with Resolution FY2018-17. Mrs. Holguin seconded the motion. The motion passed with all in favor.
- B. Assign High Valley area members to District two:** Mr. Lopez informed the board that he had Ms. Angie Meza look at the election rosters and concluded that we need to stay at more or less 10% within each District for number of eligible voters. Based on Ms. Meza's evaluation and his concurrence he would like to assign the 16 home owners to District 2. Mrs. Holguin made the motion to assign High Valley members to District 2. Mr. Smith seconded the motion. The motion passed with all in favor.
- C. Motion to approve Engineering Contract with Bohannon Houston, Inc for the Mesquite Brazito Sewer Project 2:** Mr. Magallanez made the motion to approve the Engineering Contract with Bohannon Houston, Inc. for the Mesquite Brazito Sewer Project 2. Mrs. Holguin seconded the motion. The motion passed with all in favor.
- D. Motion to approve request from Talavera MDWCA for an emergency operating agreement:** Mr. Lopez was approached by the board that the Talavera MDWCA's Board of Directors to discuss entering into an emergency operating agreement. Two members of their board are present at this meeting, Mr. Bill Noland and Mrs. Karen Perez. Mr. Noland said they received notice from their current operator that their last day is May 2, 2018. Mrs. Perez said that they have tried to keep the system together with volunteers the tanks are in good shape but they are small, they have 62 meters on the system. Mr. Smith asked Mr. Mike Lopez if it would be a burden on our system to enter into this agreement. Mr. Mike Lopez said LRGPWVA could handle the addition. He needs to take a close look at the system to do an inspection and to evaluate it. Mr. Smith asked how close it was to our system, Mr. Martin Lopez said it is not anywhere near any of LRGPWVA locations. Their system is a standalone system but is close to Moon Gate System. There have been talks about merging those systems together but nothing has come of it. Mr. Smith made the motion to approve the request for the agreement, Mrs. Holguin seconded the motion. After further discussion regarding the time line and inspection of the system Mr. Smith amended his motion, to motion to approve the agreement authorizing General Manager Mr. Martin Lopez to execute agreement for 90 days based on Operations Manager Mr. Mike Lopez's evaluation of the system. Mrs. Holguin seconded the motion. Mr. Magallanez had two questions for the Talavera Board members he wanted to know the date the operator was ending their contract with them, Mrs. Perez indicated the date was May 2, 2018 the second question was are there any mandatory reports that are pending, Mrs. Perez said there were no reports pending. Mr. McMullin continued with the motion and asked if all were in favor, the motion passed with all in favor. At this point The Board resumed the original order of the agenda to the Managers Reports.
- E. Motion to approve a request from Talavera MDWCA to investigate a potential merger:** Mr. Magallanez made the motion to approve the request to investigate a potential merger with Talavera MDWCA. Mrs. Holguin seconded the motion. Mrs. Holguin was concerned that the Talavera community is very different from the Communities served by LRGPWVA. Her concern is, how adding Talavera MDWCA to LRGPWVA could impact future request for funding. Ms. Nichols said that the Valle Del Rio community is not designated a Colonia, but because the costs are spread out evenly there really is no impact on our ability to access Colonia's funding. Mrs. Holguin was concerned about any improvement costs or repairs needed at Talavera MDWCA and how those costs would have to be shared with the rest of the membership. Mrs. Holguin would like to bring the finds back to the board to take a look at the impact. Mr. Magallanez asked if deadlines for the investigation should be set. Mr. Lopez said 90 days would be sufficient time to investigate both the emergency agreement and the merger. Mr. Magallanez amended his motion to add a deadline to complete the investigation, he was open to setting an actual date to complete the investigation. Mrs. Holguin recommended giving Staff the 90 days and if needed another 90 days could be offered. Mr. Martin Lopez suggested that 90 days was enough time for Operations, Finance and Projects departments to gather their findings. Ms. Nichols said that before the LRGPWVA Board could approve a merger the Talavera Membership would have to authorize their board to move forward. Then a joint resolution between the two boards would be required to move forward with the merger. Mr. Magallanez amended his motion to add 6 months to complete the investigation. Mr. McMullin asked for a seconded none was given motion died. Mr. McMullin went back to the original motion to approve a request to investigate a potential merger. Motion did not pass with 1 yes and 2 no. After determining that there was some confusion about the motion on the table, Mrs. Holguin made the motion to approve the request to investigate a

potential merger with Talavera MDWCA with no deadline. Mr. Smith seconded the motion. The motion passed with 2 yes and 1 no.

F. Motion to approve Professional Services Agreement with Wilson & Co. for Central Operations Facility Project:
This item was postponed for next month's board meeting because the person in charge of preparing the agreement has been out sick.

X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, May 16, 2018 at the La Mesa Office:

A. Have any Board Members participated in training? If so, please give us a copy of your certificate: no one had any training certificates.

B. Amend the Cross-Connection Prevention Control Policy. Mr. Lopez was contacted by GISD to request performing their own back flow testing.

C. Amendment to the Employee Policy Manual

XI. Adjourn: Mr. Smith made the motion to adjourn the Regular Board Meeting at 10:48 a.m., Mrs. Holguin seconded the motion. The motion passed with all in favor.

Minutes approved May 16, 2018

Michael McMullen, Chairman (District 6)

Furman Smith, Vice-Chairman (District 7)

Esperanza Holguin, Secretary (District 4)

ABSENT
Raymundo Sanchez, Director (District 1)

ABSENT
Joe Evaro, Director (District 3)

Henry Magallanez, Director (District 5)

VACANT
Director (District 2)