

## **Public Notice**

### **PID Special Board Meeting Minutes July 27, 2011 at 3:30 pm at the Village Hall Meeting Room**

- A. Call to Order - Chairman Jim LeBus called the meeting to order at 3:31 pm.
- B. Pledge of Allegiance - Chairman LeBus called for the Pledge of Allegiance.
- C. Roll Call - Present were Chairman LeBus, Director Chuck Verry, Director Steve Oliver, and Director Dan Rakes. A quorum was present. Also present Sally Sollars, District Administrator, Nann Winter, General Counsel, and were joined later in the meeting by Mitch Mosesman and Kuda Wekwete, Taussig and Associates.
- D. Approval of Agenda - Director Verry moved to approve the agenda. Director Rakes seconded. The motion carried 3-0.
- E. Enter into Executive Session – At 3:33 pm Chairman LeBus called for a motion to enter Executive Session. Director Verry so moved. Vice Chairman Rakes seconded. The motion carried 3-0.

Chairman LeBus returned to the Board Meeting at 3:53 pm by stating “No decisions were made during the Executive Session and the only items discussed were on the agenda”.

Let the record show that pursuant to NMSA 1978, Section 10-15-1 (H) and (J) the PID Board held a closed meeting on July 27, 2011 at 3:35 pm at the Village Hall Meeting room to discuss current legal issues. Let the minutes reflect that the matters discussed in the closed meeting were limited only to those specified in the notice of the separate closed meeting.

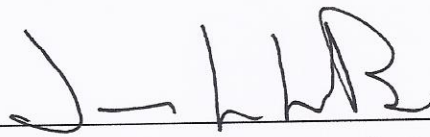
- F. Approve July 13, 2011 Minutes – Vice Chairman Rakes moved to approve the July 13, 2011 Minutes. Director Oliver seconded. The motion carried 3-0.
- G. Requests and Responses from the Audience (Limit to 3 minutes) – None.
- H. Announcements and Proclamations – None.
- I. Business
  - 1. New
    - a. Status of 2011-2012 Budget – Kuda Wekwete reported that, assuming the 2011 assessment level to be the same as 2010, there will be a shortfall in November 2012 of about \$90,000. The assumption was that the District would be unable to use the Kit Carson Account to cover the deficit. The draft budget also assumes no collection of prior year assessment monies. Chairman LeBus asked if the budget has a delinquency contingency of 20% as in previous years. Mr. Wekwete replied that it did. Nann Winter stated that the concern of whether

the Kit Carson Account monies could be used may be moot in light of the pending Kit Carson Contract Amendment, as long as those monies are replenished on a regular basis. Director Verry stated that this account is to be used over a period of six years to pay for Kit Carson to energize sections on an as needed basis. It is expected that there would not be a "rush" to do that in November through the winter. Sally Sollars reported that the books reflect that about \$300,000 has been collected in the first six months of the fiscal year for the last two years. However, Chairman LeBus stated that it is not clear that this will happen in the future, assuming the delinquent accounts are dwindling.

- b. Discuss and Approve Use of Kit Carson Account – Sally Sollars reported that due to the projected shortfall in the budget in November 2012 there has been discussion about use of the Kit Carson account to cover the deficit. As of this morning, Gerald White met with Alex Romero at Kit Carson, who agreed that the balance could be used. An amendment so stating is waiting for signature. Director Oliver moved to approve the Kit Carson Contract Amendment. Vice Chairman Rakes seconded. The motion carried 3-0.
- c. Discuss Options presented by AAFPO in response to Request for Waiver of Penalties and Interest – Sally Sollars reported that AAFPO responded to the District request to waive penalties and interest from the outstanding membership due on the foreclosed properties. AAFPO denied the request for waiver and presented two options: 1) to pay principal only, which would freeze interest, or 2) to leave the entire amount unpaid with continuing interest and late fees to be paid at the time of the sale of the property or by July 2013. Vice Chairman Rakes recused himself from this discussion. Chairman LeBus asked for a motion to pay the principal. Director Oliver moved that the principal and not the interest at this time. Director Verry seconded the motion. The motion was defeated 3-0, with Vice Chairman Rakes abstaining. Chairman LeBus asked for a motion to pay the outstanding balance at the time of sale. Director Verry so moved. Director Oliver seconded. The motion carried 3-0, with Vice Chairman Rakes abstaining.

- I. Consent Agenda – Director Verry moved to approve the Consent Agenda with the addition of Kit Carson; Invoice #1006 in the amount of \$2,028.48. Director Oliver seconded. The motion carried 3-0.
  - 1. Stelzner, Winter, et al – Litigation Counsel; Invoice #2493
  - 2. New Mexico Finance Authority – Debt Service Loan #1
  - 3. Kit Carson; Invoice #1006
- J. J. Adjournment – Chairman LeBus announced the meeting adjourned at 3:52 pm.

Next Regular PID Board Meeting will be August 10, 2011

A handwritten signature in black ink, appearing to read 'J. LeBus', is written over a horizontal line.

James LeBus, Chairman

ATTEST: \_\_\_\_\_

Sally Sollars, District Administrator