



**NORTH CENTRAL SOLID WASTE AUTHORITY
BOARD OF DIRECTOR'S
REGULAR MEETING
Wednesday, July 17, 2019 at 1:00 P.M.
2016 N. Riverside Drive
Española, New Mexico 87532**

I. Roll Call

Board Members:

Rio Arriba County	Tomás Campos/Chairman, <i>Present</i>
Ohkay Owingeh	Ben Lujan/Vice Chairman, <i>Present</i>
Santa Clara Pueblo	Bernardino Chavarria/Secretary, <i>Absent</i>
Rio Arriba County	James Martinez, <i>Present</i>
City of Española	John Ricci, <i>Call In</i>

Staff Members:

Manager	Peter Fuller
HR Director	Janet Saucedo
Executive Assistant	Jackie Martinez
Clerk III	Dania Perez

Others:

Rio Grande Sun	Amanda Martinez
Rio Grande Sun	Dylan Bida
Contract Attorney	Renee Barela-Gutierrez

II. Call to Order

Chairman Campos officially called the meeting to order at 1:21 P.M.

III. Approval of Agenda- Wednesday, July 17, 2019

Motion made by Vice Chairman Ben Lujan to approve Agenda for July 17, 2019.

Motion seconded by Member John Ricci

Motion approved and carried 4-0

IV. Approval of Minutes – Regular Meeting, Wednesday, June 26, 2019.

Motion made by Vice Chairman Ben Lujan to approve minutes for June 26, 2019.

Motion seconded by Member John Ricci.

Motion approved and carried 4-0.

V. Audience Participation/Public Comment: None

VI. Old/New Business

A. Resolution 2019-008 Acceptance and Approval of the FY 2018 Audit

Manager Peter Fuller called in the Auditor Beasley, Mitchell & Company to join the Board Meeting Conference.

Member John Ricci pointed out a typo on the Resolution 2019-008, Acceptance and Approval of the FY 2020 Audit, should be FY 2018.

Rio Grande Sun Amanda Martinez added that there have been 13 findings, one new for the FY 2018, that was released March 11, 2019. Member Ricci would like to review the Auditors Report before approving it and not approving it "blindly". No one has seen it before today. Board members discussed that, they would like to table the Audit for the August 21, 2019 at 3:00 pm Board of Directors Meeting to be able to review the report.

Auditor Amir gets off the phone as he's confirmed a new scheduled date of August 21, 2019, at 3:00 pm.

Motion to Table the Resolution 2019-008 till next meeting August 21, 2019 at 3:00 pm.

Motion made by Vice Chairman Ben Lujan

Motion seconded by John Ricci

Motion approved and carried 4-0

VII. Financial

A. June 2019 (Balance Sheet) Financial Statements

Manager Fuller stated that Auditor Ed Fierro would be available after two (2:00 pm) if the board had any questions about the financial statements.

Chairman Campos stated that he had a few questions on some of the vendors, that they had asked at the last board meeting. Manager fuller chimed in asking if it was regarding taxes and distributions, Chairman Campos stated that it was.

Chairman Campos wanted to ask Mr. Fierro why the check register didn't tie in any closer, Manager Fuller stated that he would like Mr. Fierro to speak to the board about this and explain why it was so far apart.

Manager Fuller stated that Mr. Fierro did review the balance sheet with Mr. Fuller and suggested to the board that they review that first.

Counsel Ricci asked via conference call if NCSWA was sitting at 1.7 million dollars as per the end of the year, Manager Fuller stated that NCSWA was at 1.7 million as of June 30, 2019.

Chairman Campos asked about all the blank spaces such as capital outlay, equipment containers etc., if we are stating that they have no value or did we not enter any kind of inventory for these or should he ask Mr. Fierro about this. Manager Fuller stated that he was not sure on this and he would like Mr. Fierro to speak to the board about these.

Counsel Ricci stated that all that it was showing was cash on hand and not the true assets. Manager Fuller stated that he thinks that we would have to tie in the balance sheet to the income statement and back up the receivables, but he would like Mr. Fierro to discuss this with the board. Chairman Campos stated that the entity is worth more than 1.7 million dollars.

Manager Fuller ended the conference call with Counsel John Ricci at and stated he would contact him from a landline so he could contact Mr. Fierro on Manager Fuller cell phone. Chairman Campos stated that to speak with Mr. Fierro would be a half hour that they move to the Managers Report then come back to the Financials.

VIII. Manager's Report

Manager Fuller started off the Manager's Report with his NCSWA focus question "What is the safest, most practical and cost-effective way to serve the on-going solid waste collection and disposal needs of all of our customers?"

Financial-

Manager Fuller stated that our new Operations Supervisor Jonathan Felix was not able to attend today's meeting as he is out in the field dealing with broken trucks and letting our customers know that everything will be getting picked up even though we had some equipment down.

Collections Clerk Joann Marquez has collected another \$10,000 on 15 accounts since our last board meeting in June.

Manager Fuller stated that we continue to collect tarp fees, customers seem to understand that we need to keep the trash off the roads, so we are getting less resistance on this but customers are understanding. Since the last board meeting Manager Fuller stated that he spoke with Jonathan about buying tarps in bulk at \$6.00 a tarp then giving them out to anyone still coming in with untarped load. This will still net us \$14 per untarped load, while also providing the customer a tarp for all future loads.

Chairman Campos had asked if there has been any improvement with trash in the roads since this has been implemented. Vice Chairman Ben Lujan added that he has noticed a big difference on the roads, it looks better since we utilized this. Chairman Campos asked if we have implemented this to the rest of the Collection Centers. Manager Fuller answered that Alcalde is the only transfer station that is requiring this so far.

Update with Incode, Jackie, Joann, and Lea successfully sent out this month's billing with little to no issues. Manager Fuller is surprised with the way that its going. He believes it will be a great system as everyone continues to do their homework and gets more familiar with it. Manger Fuller will work with getting the assents into the system to be able to use it to its advantage and make

the graphs/charts easier and better to read for him to manage better. Manager Fuller stated that we have had great help from Incode support team.

Operations-

Manager Fuller stated that with regards to tire cutter we are looking at preliminary \$35,000 to \$40,000, I have three quotes and I am working with the suppliers to see what we can do. We will be making a purchase within the next month as this is within our budget. The whole point in this is that if we can take care of the tie cutting on our end this will save us lots of money. Counsel Ricci asked if Mr. Fuller had requested three bids, Manager Fuller stated that he did and this was the most reasonable but he is working with the company to get it for less.

Counsel Ricci, had asked if this would need to get approved by the board and if this was going to be on the next board meeting. Chairman Campos stated that we had given Manager Fuller permissions to purchase at a certain rate, but they were unclear as to what the amount was and will look into it. Campos stated that he thinks it was \$50,000 but that he would still need to follow procurement, but that he can put it on the agenda for next time.

Manager Fuller stated that he is still waiting on a quote from Hotsy on an oil burner. Our issue is that we don't need to make a lot of heat we don't have that much used oil, we just want to be able to burn it and have a mess on the transfer station floor.

Chairman Campos asked if we wanted the oil burner for the transfer station or are we Rio Arriba County going to share it and use it for the garage? Chairman Campos stated that he thought they were going to use it for the garage and share the cost. Manager Fuller stated that he was okay with this but that there is not much oil at the Transfer Station. Manager Fuller stated to Chairman Campos that we would need to discuss how big of a burner we would want, and Chairman Campos stated about 150,000.00 BTU. Manager Fuller stated that in August he would have an updated price on this. Chairman Campos stated that we would have to purchase a tank/container to hold any and all oils.

Concrete & Roofing shingles: All competitors have said that they all haul to Sandoval. If we charge appropriately, we should be able to meet or beat what they offer. Manager Fuller stated that the issue with concrete that he learned from Operations Supervisor Felix is that it can only go on ten (10) yard roll-offs. Anything greater than 10 yards of concrete is too much weight to haul safely. We cannot haul concrete in a 20 or 30 yard roll off because it is considered to be too heavy. Manager Fuller stated that he is getting inventory counts on all the bins and if we need 10 yard bins to make concrete vital for our business then we will get 10 yards too and we will advertise this.

Manager Fuller stated that with roofing shingles he doesn't understand why we can't put more of those in a 20 or 30 yard and haul them to the same place. The only item that we need is a better roll-off truck and I've budgeted for that. Chairman Campos stated that if the concrete does not have any re-bar that we could make arrangements with Cook's because then we will crush it with the other materials. Campos stated that so if it is clean concrete that Cook will take it. Manager Fuller stated that for the August meeting he and Operations Supervisor Jonathan will have a presentation regarding this to include what he finds out from Cook.

Customers & Communities –

Thanks to Jill Coursin for alerting us to the illegal dumping on Hwy 554. Jonathan went to the sight and it's a mess. I have contacted NMED about how to best go about enforcing this and providing what we can in the way of solutions. Manager Fuller asked if the county deputize our employees as trash enforcement people? Chairman Campos stated that they would not. Chairman Campos stated that Manager Fuller should contact planning and zoning with the county and discuss this with them.

MSW Recycling & Other Diversion Strategies –

Manager Fuller stated that now the issue is with our compactors that they are ancient and parts are hard to come by. Jonathan and I are looking into this. We need to smash the cardboard to make the deliver/transport economics work, and we need at least four workable compactors. Biopappel is too far away, however Martha at Town Recycling in ABQ now also will have operations going in Santa Fe. This looks like the best solution because it is close to us. Manager Fuller stated that he will have a proposal for this on the agenda for our August meeting. Manager Fuller also stated that with regards to plastics he is waiting on Yearout for a response as to if they can take any of our plastic, so we are looking at other alternatives.

IX. Director's Business

Vice Chairman Ben Lujan stated the community has brought it to his attention that he has been getting complaints on the pine needles that are coming in and we are burning them but they are taking forever to burn and they are producing a lot of smoke.

Chairman Campos stated that we currently have the forest contracts that are going on and we are not allowing them to pile slash at the transfer station. We allow them to take wood chips but not slash (meaning pine needles). Manager Fuller had asked if this had ever been a problem in the past, and vice chairman stated that it hasn't but I think it is now because there are more pine needles than previous years.

Manager Fuller asked how horrible would it be to put pine needles in our waste stream. Vice Chair Lujan stated that they don't compact very well. Manager Fuller stated that he will look into this matter and see what he can do to take of this.

Counsel James Martinez asked about the Fire Wise initiative that is going on, and Vice Chairman Lujan stepped in and stated that if they are covering the cost in the contract and putting the burden on us. Counsel Martinez stated that Fire Wise has also been done in Velarde.

Chairman Campos stated that Commissioner from District 3 still wants to reopen the transfer station at Canjilón.

Continuation of Financial with Ed Fierro at 2:09 pm

Chairman Campos stated that the balance sheet is not accurate that it was missing the appreciation and other things, have they just not come in. Mr. Fierro stated that what they are trying to do is that throughout the fiscal year we are trying to keep the general ledger on a cash basis. So the only thing it will have on the balance sheet is the reconcile cash balance and the equity. The income statements will have all cash receipts and cash expenditures.

Mr. Fierro stated that what happens on our end June 30, 2019, there are adjustments made on the capital assets, prepaid expenses, accounts receivable, and accounts payable are added in there to

generate a financial statement that will be audited by the auditors and presented to the board.

Throughout the year we are trying to present information in compliance with the budget as it is prepared on a cash basis. Chairman Campos asked about the dead end like the note that is owed to the county, does it go in at the end? Mr. Fierro stated that all this will be added on to the activity when it comes time to prepare financial statements in accordance with general principals, and so the financial statements will have all the access to liability, equity, all accrued revenues and all accrued expenditures.

Mr. Fierro stated that the intent is to show the board on a month to month basis how NCSWA is comparing to our budget as far as cash receipts. The way that Incode wanted to make the conversion was where we have nine (9) months of activity within Caselle from July 2018 thru March of 2019, and in the month of April they started writing checks and took those ending balances that were in Caselle and then they didn't convert over the expenditures into Incode 10. Mr. Fierro stated that in the month of April he had to convert a lot of entries that would make sense to the auditors.

Mr. Fierro stated that just to caution the board that the information that was provided unadjusted and needs work done in May and June. Once auditors come in and they see these amounts then the board will see all that activity recorded. Manager Fuller asked Mr. Fierro that as far as our balance sheet goes we will always be looking at zero entries on cash basis until we get to the once a year adjustment? Mr. Fierro stated that this is correct.

Chairman Campos asked Mr. Fierro what his opinion was about our FY 2018 audit, and that they did not approve it because they have not had time to look over it. Mr. Fierro stated that the audit findings have a lot of problems that existed in the past and the problems have not been resolved as far as accounting manual, procedures manual.

Mr. Fierro stated that it has been a lot of turn over within the organization and then now this conversion it like many things are happening at one time and the old items need to be addressed and no one has time. Mr. Fierro stated is this a systematic problem within the organization in that "it can't get its act together," but then said he does not think so there has been a lot to, do such as changing software.

Mr. Fierro stated that overall the audit has a lot of carry over that has to be addressed, it's up to staff and management to implement proper accounting, then at that point it will start to move a lot smoother.

B. May 2019 Check Register

C. June 2019 Check Register

D. June 2019 Income Statement

Continuation of Directors Business

Employment Agreement for NCSWA Manager

Chairman Campos asked Counsel Ricci if the contract looked okay. Ricci stated that it looks like it's everything we discussed.

***Motion made by Vice Chairman Ben Lujan to approve the Managers contract
Motion seconded by James Martinez***

Attorney Renee Barela-Gutierrez stated that she did review the agreement and that everything looks good.

Motion approved and carried 4-0

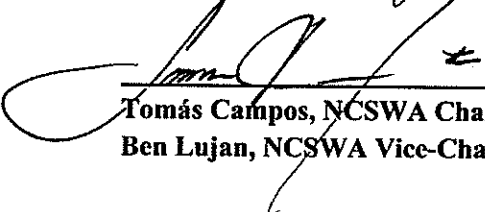
Vice Chairman Lujan asked about the adjustments on employees' wages. Manager Fuller stated that this is forth coming and that Human Resources Janet Saucedo is working on getting comparisons with everything but Los Alamos, so we know what ranges we need to adjust to. Human Resources Janet Saucedo stated that she will be putting something together we will be putting together a timeline of events and then we will present it to the board for approval. Vice Chairman Lujan asked if it was the wage scale that the board would approve. Vice Chairman Lujan believes that employees deserve a raise.

X. Next Meeting – Wednesday, August 21, 2019 at 3:00 P.M.

XII. Adjournment

***Motion made by Vice Chairman Ben Lujan to Adjourn at 2:48 P.M.
Chairman Tomás Campos seconds the motion
Motion approved and carried 4-0***

APPROVED AND ADOPTED THIS 21 DAY OF August, 2019



Tomás Campos, NCSWA Chairman
Ben Lujan, NCSWA Vice-Chairman

ATTEST:



Dino Chavarria, NCSWA Secretary