



**NORTH CENTRAL SOLID WASTE AUTHORITY  
BOARD OF DIRECTOR'S  
REGULAR MEETING**

**Wednesday, July 18, 2018, at 9:00 A.M.  
2016 N. Riverside Drive  
Española, New Mexico 87532**

**I. Roll Call**

**Board Members:**

Rio Arriba County	Tomas 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	Alex Naranjo, <i>Present</i>
City of Española	John Ricci/ Present

**Staff Members:**

Manager	Peter Fuller
CFO	Audrey Gonzales
Operations Supervisor	Jerome Broyles
Executive Assistant	Jackie Martinez

**Others:**

Citizen of Española	Peter Valdez
Rio Grande SUN	Amanda Martinez
NCSWA Accountant	Ed Fierro
NCSWA Accountant	Dominic Fierro

**II. Call to Order**

Vice Chairman Lujan officially called the meeting to order at 9:12 A.M.

*Motion made by Member Alex Naranjo to call the meeting to order for July 18, 2018.*

*Motion seconded by Member John Ricci*

*Motion approved and carried 4-0*

**III. Approval of Agenda- Wednesday July 18, 2018**

Chairman Campos begins by asking Manager Peter Fuller if there are any changes to the agenda. Mr. Fuller recommends changing VI. B, Revised Budget and putting it under IX A. Old Business.

**IV. Approval of Minutes**

*Motion made by Member Naranjo to approve the minutes for July 18, 2018.*

*Motion seconded by Vice Chairman Ben Lujan*

*Motion approved and carried 4-0.*

**V. Audience Participation/Public Comment**

Amanda Martinez from Rio Grande SUN comments by stating she looked at the agenda and saw there was an Executive Session set to discuss the Financial information from what NCSWA is calling the audit of financial records. Ms. Martinez goes on to say she does not think the Executive Session is a legal session and does not believe it falls under what OMA says, which she states is fair warning. Ms. Martinez states it's not an audit and does not fall under the audit rules from the State of New Mexico. Mr. Ed Fierro explains the purpose of the Executive Session. The Executive Session is to discuss the upcoming audit, the financial statement audit. There are items within the particular quotes of 12-6-5 to 12-6-14 that need to be discussed with the Board. The auditors will be here on July 30, 2018.

Sarah Pierpont with New Mexico Recycling Coalition (NMRC) introduces herself.

**VI. Financial- Audrey Gonzales, CFO**

***A. Financial Statements for Fiscal Years ending 6/30/2016 & 06/30/2017 – Ed Fierro***

Mr. Ed Fierro begins by stating, his intentions were to present the Financial Statements for the Fiscal Year ending 06/30/2016 & 06/30/17, however after having them prepared he realized there is one particular glitch in the financial statement. Rather than presenting information that Fierro & Fierro feels is not to where they want it be, Mr. Fierro asks that it be Tabled. Fierro & Fierro's intentions are to present the entity with the financial statements next week. The auditors will be on board July 30, 2018 and Fierro & Fierro will get the financial statements to the auditors and to the NCSWA Board. Fierro & Fierro would like to discuss the financial statements at the August Board Meeting with the opportunity to review them and understand what is going on. Mr. Ed Fierro explains his teams work, by stating as far as their work, Fierro & Fierro were engaged to come in and fix the accounting record. Fierro & Fierro were the auditors for NCSWA from the period in June 30, 2015. In those particular financial statements, Fierro & Fierro had a disclaimer of opinion because financial records were a total disaster. Fierro & Fierro reconciled the bank statements, went through and determined what the actual cash balances are, what the outstanding deposits are, and what the outstanding checks were month by month. The banks are reconciled through April of 2018. Fierro & Fierro is working on May and June of 2018. The accounting records in Caselle, have been established in an accrual-based manner. The problem with an accrual-based manner is throughout the year the Board and management is not concerned with the accrual basis of accounting, they are concerned with the cash basis of accounting. The goal Fierro & Fierro is trying to accomplish with NCSWA in each particular month is how much cash had been received, how much has been spent, what was our beginning cash, and what was our collections, our expenditures and what do we have at cash at the beginning of the month. Mr. Ed Fierro continues to explain, at the end of June, Fierro & Fierro contacted the software house and on July 2<sup>nd</sup>, they made the conversion to change the accounting software to be back to cash basis. Commencing with the month of July of 2018, CFO Audrey Gonzales will be able to present the information to the Board, which is the beginning cash balance, what was collected, what was spent in cash dollars, and what was the ending cash balance. As far as the financial statements, Fierro & Fierro will present accrual-basis, which will have all of the accounts payables, accounts receivables, capital assets, etc. The immediate goal is to get these financials finalized and get them to the auditors and have the auditors come in and audit 2016 and 2017. NCSWA will be off the New Mexico State Auditors at Risk List. NCSWA will be current with their filings. What's preventing Fierro & Fierro from finishing June's is waiting for the activity to go through, which is the payables and the payroll reports that will need to be finished. The net pension liability information is needed to finish the June statement, which comes from NM PERA. Once the auditors come in, they issue the reports and NCSWA will be current. The goal is to submit the audit report by December 15<sup>th</sup> for June 30, 2018. Fierro & Fierro states they are very much on

target and are very much pleased with the accounting that they have done. Mr. Fierro states he is in constant contact with CFO Audrey Gonzales and Manager Peter Fuller explaining the balances. Fierro & Fierro also assisted NCSWA with preparing the budget. Mr. Ed. Fierro asks the Board if they have any questions.

Retiree Health Care now wants Fierro & Fierro to record some sort of liability for the potential liability in the future. Fierro & Fierro states they are complete as they can be, given the fact they are missing some information. Member John Ricci wants clarity on the budgeting. Mr. Ricci wants to know when we get the previous month, is it going to be as closed as possible? and with the new cash are we going to know where we're at on the budget compared to our budget, and is it going to be closed out each month? Mr. Ed Fierro responds by saying the books now are recording the cash receipts and cash disbursements. At the end of the month, the accounting department will have to reconcile the bank accounts and what's reflected in the books. Ms. Gonzales will then be able to take that information, take her existing budget and take that information, the receipts and cash disbursements, which she will month-to-date and year-to-date so the Board will know. Mr. Fierro goes on to say that the budget in New Mexico is prepared on a cash basis, not on an accrual basis. Mr. Fierro states NCSWA will be up to date, month by month to know exactly what was received in money and what was spent. Mr. Ricci asks Mr. Fierro if NCSWA is getting a report card today for June on the budget, and would it be accurate. Mr. Fierro responds by saying NCSWA will be 100% closed out for the previous month. The reason why is because NCSWA is not waiting for any additional information because the cash activity has happened. Ms. Gonzales states, for the August meeting she will be providing the reports and documentation for the July activity to the Board. Mr. Ed Fierro states, when he comes back in August, he will have the 2016 and 2017 financial statements that compares the cash budget with the cash expenditures. Mr. Fierro will also present to the Board this last fiscal year's revenues and expenditures on a cash basis. Mr. Ed Fierro states the Board will be looking for three things from him in August, and that will be financial statement for FY ending 6/30/16, the comparative financial statement for 6/30/16 and 6/30/17 and a budget statement for this past Fiscal Year that shows what was budgeted and received, what was budgeted in expenditures and what was spent. Mr. Ed Fierro goes on to say that's as far as you can go with it, until the numbers are in from PERA and Retiree Health Care. Once those numbers are in, Mr. Fierro states we can wrap it up and present it to the Board. Once this is done, we can give this to the auditors so they can audit. Mr. Fierro continues to say, when he presents information, keep in mind the information he's presenting has not been audited. Fierro & Fierro did not look at all the invoices and verify, this is the auditors job. The auditors determine what they are going to look at, and what supporting documents are needed. As far as what was all the repairs and maintenance, wages, utility bills and lease expenses, Fierro & Fierro has that into the property categories. Member Alex Naranjo asks Mr. Ed Fierro if there are any discrepancies he is concerned with at this time. Mr. Ed Fierro believes there needs to be some changes in the accounting procedures that has been going on. Mr. Fierro goes on to say that the biggest fault of the organization since day one has been NCSWA did not really have an accountant. Mr. Fierro states he is being really careful with this statement, because NCSWA did employ an accountant. Mr. Fierro states NCSWA needs to have someone who has good control of all the numbers from the bank reconciliations to the accounts receivables, accounts payables, all that, etc. Mr. Ed Fierro states he is giving NCSWA all that and is giving NCSWA good information. Mr. Ed Fierro believes that NCSWA is spending a lot of money on repairs and maintenance almost half a million dollars because the fleet is old. Mr. Fierro states, one of the problems the agency has had is, when you come up with your budget you are almost shooting in the dark. NCSWA needs to go beyond that and look at what is spent. Once NCSWA has good information, NCSWA will be able to make good, informative decisions as Management and as a Board. Member Alex Naranjo expresses his concerns. Mr. Naranjo states in the past it's known how much will be spent in gas

in the past three years. Mr. Naranjo asks Mr. Fierro if fuel was increased by 5% or 10% for the following year. Mr. Fierro states, unfortunately the information was not accurate and that was because of the way the accounting records were being maintained. Mr. Ed Fierro states the records were in a mess, however, they are not in a mess for 2016, 2017, and 2018. Member John Ricci reiterates that there were issues with the accounting that needs to be corrected in the policies and asks what those procedures are and what needs to be done. Mr. Ed Fierro states one example would be the bank reconciliations. The accounts from almost day one, have never been reconciled. If you don't reconcile, you don't know what is spent. The credit card processing fees were not being recorded in the NCSWA books. One of the procedures would be to keep a check register. This is important. A procedure has to be, to set up a register in an excel worksheet. Chairman Campos states, as a Board member, he would like to see a monthly accounts payable check register provided to the Board. Chairman Campos states he has been asking for that check register for the past three years and was never been provided with one. The agency would like to show the Board how much NCSWA started off with. Chairman Campos would like to see that as part of the monthly report. Chairman Campos asks if we are still on track for the software change. Ms. Gonzales states the software change will come in March 2019. Mr. Ed Fierro states his contract was to fix 2016, 2017 and 2018 and to present financial statements. Mr. Ed Fierro states the taxpayers, the Board, Management and the auditors will all benefit from all this. To reiterate, Mr. Ed Fierro states, one of the procedures is to set up cash, and how much money was collected and where the money was spent. Member Alex Naranjo asks Mr. Ed Fierro if there is crosschecking with the employees to ensure that it's not the same employee taking the money to the bank on a daily basis. Mr. Ed Fierro states there should be concern with internal controls. Internal controls can be done. Mr. Ed Fierro goes on to say that any entity should have to keep people thinking they are being checked on and if this is done, then the employees are less inclined to do something that they really shouldn't be doing. Member John Ricci asks where we are at on check registers and internal procedures, and who is going to tell the Board what has to be put into place as a check and balance system and how will it be implemented. Mr. Ed Fierro explains that he is in constant contact with management and he will come and present to the Board. Another source would be the auditors. The auditors will look at the last audit report that was issued. Mr. Ed. Fierro states he will be seeing the Board in a month.

***B. Revised Budget FY 2019-No Cola Increase & 4% Insurance Increase***

***C. Award Approval for Governmental Financial Consulting Services***

Ms. Gonzales begins by proposing she would like to have the approval of the Board to have financial consulting services. Ms. Gonzales states, NCSWA did go out to RFP for consulting services. Ms. Gonzales continues to say that this is what will help the employees and NCSWA. Ms. Gonzales states this will teach employees their job duties and will do policies and procedures to get NCSWA back on track with the assistance of the consulting firm. Ms. Gonzales states when she went out to RFP only one firm responded and that was Mr. Fierro's firm. Ms. Gonzales would like to request an approval for Mr. Fierro's firm as an as needed basis. Ms. Gonzales agrees with Mr. Ed. Fierro about getting NCSWA employees trained and policies and procedures in place.

*Member Alex Naranjo walks out at 9:44 a.m. and walks in at 9:45 a.m.*

Chairman Campos asks Mr. Ed Fierro if they have a standard contract. Mr. Ed Fierro states he thinks Mr. Stranahan would draw up a contract. Chairman Campos states, the purchase of new software that Fierro & Fierro are assisting with and the set-up is very complex. Chairman Campos goes on to say that having an accountant here at NCSWA and talking to DFA to get the proper account numbers would make Audrey's life a lot simpler. This is something that would

need to be detailed. Mr. Fierro states his firm is able to provide those consulting services. Member Alex Naranjo states his concern to Mr. Fierro by asking him if there is any conflict of interest by his firm being the only one being able to perform the duties. Chairman Campos replies by saying there is no conflict because Mr. Fierro is not applying to do the audit, all he did was help correct the audit out of our books. Mr. Fierro states, the agency advertised as required by State Statutes. Only one firm bid. The requirements are met by State Statutes. Chairman Campos states, Mr. Fierro's firm and CFO Audrey Gonzales will be audited by Beasley, Mitchell & Co. Mr. Fierro wants to clarify that his firm is not the auditors, they are not independent. Fierro & Fierro make management decisions in accounting records and cannot audit their own work. This is why another auditor needs to come in. In a sense, Mr. Fierro took the place of the other auditor, which was Mr. Sandoval to help with the accounting records, not to audit. As a Board, Chairman Campos doesn't want things going back to the way they were. Chairman Campos wants to ensure everything is in the contract by setting up the financial procedures, etc. Member John Ricci asks if Mr. Fierro will assist NCSWA in the new software. Mr. Ricci goes on to say that setting up policies and procedures and implementing those and assisting us in the new software change is not listed in the scope of work. Chairman Campos states this is going to be a whole new ball game in the next six months. This is going to be a different process from Caselle. Ms. Gonzales states that she is trying her hardest to get NCSWA where we are supposed to be. Ms. Gonzales's goal for NCSWA is to assist our employees, by showing them what their job is and to understand why they're doing their job. Member John Ricci confirms that Mr. Fierro's contract is over at the closing of 2018 officially and can no longer assist NCSWA. Mr. Ricci states we need to get all the details in there so we can get a contract. Chairman Campos states the Board can give their input via email as to what the Board wants to see and send it to Manager Fuller. Member Ricci asks for more detail in the contract. Fierro & Fierro will bring the contract to the next Board meeting.

*Motion made by Vice Chairman Ben Lujan to award the RFP consulting services to Fierro & Fierro*

*Motion seconded by Member Alex Naranjo*

*Motion approved and carried 4-0.*

## **VII. Manager's Reports**

Citizen of Española asks to speak to the Manager before speaking with the Board. The citizen agrees to speak with Mr. Fuller after the meeting, which is in reference to his trashcans.

Manager Peter Fuller begins by saying he is always looking about what is safest, most practical and cost-effective and serving all of our customers.

On the financial side, and one of the controls Mr. Fuller is implementing, is the Alcalde Cash drop. Mr. Fuller states he has changed up who is responsible for the Alcalde Cash drop and is leaving it in the hands of Operations Supervisor Jerome Broyles's crew. Mr. Fuller states, operations collect the money; therefore, they need to baby-sit the money appropriately. Mr. Fuller states he is involved in that. At least once a week Mr. Fuller will pick up the money from the safe and bring it back to the office. This is one control that Mr. Fuller has changed up. Mr. Fuller states that our Collection Specialist, JoAnn Marquez has collected more than \$8,000 since our June 20 Board Meeting. Ms. Marquez tracks down old accounts and makes good decisions as how to take care of the collections. Mr. Fuller States Ms. Marquez has done a tremendous job and CFO Audrey Gonzales has also been on top of that.

Mr. Fuller recognizes Nick Diaz for his customer service along Road 142 in Medanales.

Customer Mike Jackson recently called Mr. Fuller and specifically said he appreciated whomever

picked up his trash because the cans were all in order and they were not damaged and were put back nicely. Mr. Fuller states it was Mr. Diaz himself that did it and wanted to recognize Mr. Diaz and Mr. Broyles supervision for that. He states, efforts are paying off.

Mr. Fuller talks about driver awareness with children out of school for the summer. Operations Supervisor Jerome Broyles and his staff talked about this a couple Tuesdays ago. Mr. Fuller states kids are curious about the trash trucks and we need to be very careful where the children are and maintain safety awareness.

The scrap yard at the County, Mr. Fuller states NCSWA has cleaned up the South end, and it's all in a bin now. Mr. Fuller states he has gone out and spoke with mechanics and inventoried the vehicles and talked about which ones to keep and which ones to get rid of. Mr. Fuller states he has that list and is working on getting the VINS. Mr. Fuller asks if there is any reason to auction the scrap or give it to Gallegos Scrap Metal and have them tow it away. Chairman Campos states NCSWA is more than welcome to put it on the RAC auction side. Mr. Fuller states he will work on this.

Customers & Communities; Manager Peter Fuller Thanks Councilman John Ricci and the City of Española for recognizing NCSWA for our part in the Santa Clara Peak Road cleanup on June 13. Mr. Fuller extends his thanks to Mr. Perry Vigil and the City team who made this event so successful.

Mr. Fuller thanks Vice Chairman Ben Lujan and the Ohkay Owingeh Pueblo for inviting NCSWA personnel to the June 20 Feast Day.

Mr. Fuller states Abiquiu customer Jill Coursin has ideas for interfacing and improving service along her stretch of road. Ms. Coursin came into the NCSWA office and followed up with Mr. Fuller and has some good ideas for meets and greets and getting the businesses involved. Mr. Fuller states he is going to get with Jerome Broyles and Janet Saucedo and get involved to talk about it and improve service.

Mr. Fuller states, under upcoming time away, he will be out of the office the afternoon of July 19 because his mother has broken her hip and he will be assisting with that.

### **VIII. Director's Business**

Member John Ricci begins by asking if the incinerator and generator was a three-million-dollar ticket for both units, referring to pyrolysis. Chairman Campos believes it was half-a-million dollars for both units. Member John Ricci would like to start a directive to recycle plastics by trying to reduce our ticket fees by 75% and be one of the first in the area. Chairman Campos talks to Manager Peter Fuller about ideas in finding a way to recycle plastics and finding a market, at least in Española to recycle the plastics with a pyrolysis machine. Member Ricci understands we cannot burn everything, however if it is reduced by 75% he believes that would be a common goal. For the long-term future, Member John Ricci believes reducing landfill by 75% in a community would be something to really look at. Member John Ricci explains that burning and incinerating has nothing to do with that (recycling). Member John Ricci explains pyrolysis and states it is a giant conventional oven that produces dust and fabricates a large bag of ash. The air is filtered out, and is all EPA approved and tested. Member John Ricci wonders why this is not happening all over. Member John Ricci States, since we do not have a landfill and are spending money to send it somewhere else, this would be something to be a little more aggressive on and look at.

Manager Peter Fuller agrees with Member Ricci and states it is a great solution and anything we can do to divert it. Member John Ricci states Yearout Energy has a generator that can be attached to it that can produce electricity. Mr. Ricci goes on to say that starting a campaign for the plastics and funnel them back. Manager Peter Fuller will keep everyone informed when he hears back from Colby at Yearout.

Chairman Campos states that Commissioner Richard Garcia would like to see what NCSWA could do with the Canjilón transfer station. Commissioner Garcia would like to work on the transfer station in Lindrith and wants to try and reduce people from going out there constantly. Commissioner Garcia would like the Operations department from NCSWA to start focusing on this. Chairman Campos states the plan suggests that we start pulling back from the door to door. Having a truck go all the way to Lindrith to pick up door to door trash does not make sense. Chairman Campos would like to get back on track, Operations wise to get the transfer station back out there. Manager Peter Fuller asks Operations Supervisor Jerome Broyles if he has any input. Mr. Broyles states the last time he talked to Mr. Garcia about the Lindrith opening a collections center, NCSWA was not going to financially start that up due to the costs. The idea that was going to be brought forward was contracting with Sandoval county to have them haul to the Cuba collections center. Mr. Broyles states this was his last conversation that he had about Lindrith opening a collections center. Chairman Campos expresses the need to cooperate. Chairman Campos states that the County is willing to cooperate with NCSWA on the transportation side. Member John Ricci inquires about the process for a collections center. Operations Supervisor Jerome Broyles explains the collections center process. Vice Chairman Ben Lujan states it depends on how many customers you have. Vice Chairman Lujan continues to state, for basic, you can have a collection site for roughly \$40,000 a year because you're paying the employee salary benefits, but if there are only ten customers taking trash every week it's not economically profitable. Mr. Broyles states that Cordova costs a lot more money to operate than it does to generate just because of its location. NCSWA deals with at least one or two roll-offs a month, some of them are strictly illegal dumping, from tires, to oil, etc. Chairman Campos states the collection center can be only open Friday's and Saturday's and does not have to be open seven days a week. Chairman Campos continues to state that these are our citizens and we need to provide them a place to dump oil and tires. If we are going to be everything, then we have to be everything, and we haven't been everything for a long time. Chairman Campos states, we are NCSWA and we need to figure out a way to dump tires. Chairman Campos states it's a new day and we have to be open minded and we have to work together to move forward.

Member John Ricci would like to look at the isolated spots and figure out time frames and what's going to be more cost effective and convenient. Vice Chairman Lujan states that's what the contract was for, to look at all the areas and tell us what was more economically best for NCSWA to do in certain areas. Chairman Campos states that we have that study here somewhere. Vice Chairman Lujan states some of the then Board Members were open to look at it. At the end of the day self-haul is always going to be the best thing to do. We need to stop saying no and find other options. This may cost us, but will save us in our environment, labor, County and City expense. Chairman Campos states that right now in Chili there are mattresses thrown on the side of the road. The County or NCSWA will have to pick them up anyway. Member Alex Naranjo states if the transfer station in Canjilón is closed people are going to start throwing their things in the yard. Member Alex Naranjo believes that the citizens should be better trained. What has to change is the mentality of our own people. Member Alex Naranjo believes that Lindrith is a very simple problem, negotiate with Sandoval County and that's the way to resolve it. They are doing it in Tres Piedras as we speak.

Chairman Campos asks if the Board would like to get to Old Business or get to Sarah Pierpont. Member Alex Naranjo would like to continue the discussion. Chairman Campos states he has a feeling the pay increase is going to take a while. Member Alex Naranjo states this should have been done at the beginning of the meeting when the agenda was getting approved. Chairman Campos states it's not an action item and the Board will not get in trouble.

Sarah Pierpont begins by introducing herself. Ms. Pierpont is the Executive Director with NM Recycling Coalition. New Mexico Recycling Coalition (NMRC) is a non-profit, statewide, professional membership organization that has a mission to inspire New Mexicans to reduce, reuse and recycle. NCSWA has been a member since 2007 and is still an active member. This is not a giant non-profit. Ms. Pierpont passes out her cards. Ms. Pierpont states NM Recycling Coalition is here as a resource. When Secretary Bernardino Chavarria invited Ms. Pierpont, he wanted her to mention plastics. The markets have gone down, they're trying to bring in new material. Ms. Pierpont asks the board if people source separate. Operations Supervisor Jerome Broyles responds by saying we do not source separate. Ms. Pierpont would like NCSWA to consider this, since NCSWA has all drop-off. She states that the citizens do the work, by separating bins for plastic, aluminum, cardboard, etc. If customers are already coming to the transfer stations, she believes we might as well get that free labor. It makes it more valuable when the citizens separate the recycle. Places like Silver City that have less options than NCSWA. Chairman Campos states that it's been several years since the Española curbside has gone away and as a Board Member, Chairman Campos doesn't see a reason why we can't attempt it again, even with just the plastics. Chairman goes on to say he was told, the Española curbside went away because it was very expensive and there wasn't a Market. Ms. Pierpont states that recycling has an expense and asks how many household there are in Española. Member John Ricci replies with maybe just over 2,000 households in Española. Ms. Pierpont states if the households were over 4,000 then NCSWA would be eligible for a national program and will find out more information. Ms. Pierpont states The Recycling Partnership is a non-profit and they're nationwide and have done a lot of work on the East Coast and are looking to expand to the West Coast. The Recycling Partnership just gave the City of Santa Fe \$100,000.00 to buy new bins. They are seeing as the experts on how to do curbside recycling correctly. Ms. Pierpont will find out the household size is and states it might be worth it. Other things that Ms. Pierpont wants the Board to think about is tires. Ms. Pierpont states when people register their cars, everyone is taxed .50 cents. The tire money often does not get spent because there are not enough applications. Chairman Campos tells Mr. Fuller, somewhere we are supposed to have a derimner. Ms. Pierpont addresses the Board and states once NCSWA has an idea of how to manage tires, NCSWA and the Board can reach out to her and she will find the answers. Ms. Pierpont goes to say they like to fund oil burners and is not very expensive. Motor oil is used to heat transfer stations. This can be an option. The State has funded them in the past. Ms. Pierpont will give Manager Peter Fuller a schedule for all the Grants. Ms. Pierpont states the people from the Santo Domingo Pueblo are visual learners. The people from the Pueblo made three-minute videos on illegal dumping. One of the videos is an illegal dumper who saw the light and talks about how dirty his community was. Education outreach partnered with enforcement. Taos County has enforcement. Dona Ana County also has a big problem with illegal dumping. Dona Ana County will be holding an illegal dumping meeting in the Gallup/Grants area. Dona Ana is trying to talk about education and the poverty issues they have. Ms. Pierpont states she is not familiar with pyrolysis. Pyrolysis is a type of waste of energy. Ms. Pierpont talks about a hefty waste energy bag program. This program puts out orange hefty bags. Chairman Campos states pyrolysis bakes the trash and the gas that comes off the baked plastic reenergizes the burner. Nothing is lit on fire, everything is baked and dust is the end result. Member Ricci states they brought the pyrolysis into be tested on Federal land. Ms. Pierpont states South Central Waste Authority in Las Cruces released a request for information. NMRC encourages local communities to develop cost-effective programs to divert organic material from landfills. NMRC is working on trying to help programs continue the recycling as well as working on organics. Ms. Pierpont states organics are 40% of what you have in your waste.



Lastly, Ms. Pierpont states NMRC is here as a resource and states they have a conference September 25-26. The theme is local actions for global market.

## **IX. Old/New Business**

### **A. Old Business**

#### **Pay Increases, \$1.00 for All Staff**

CFO Audrey Gonzales states at the last Board Meeting, Vice Chairman Lujan asked Ms. Gonzales to take out the 1% COLA increase and added the 4% insurance increase. Ms. Gonzales states Mr. Dominic Fierro took out the \$55,000 that NCSWA was in the deficit out of line item 6252. Chairman Campos asks about the employee insurance and if it goes along with the State and if it is a graduated amount that we pay for the employee and insurances. Ms. Gonzales states as far as she knows Emma LaRue is getting the insurance from Brown and Brown. It is a list that is for public bodies that we are using instead of the State insurance payables. Chairman Campos questions if we looking at covering the insurance increase. Ms. Gonzales states we are doing one right now. NCSWA covers 70% of the health insurance and the employee covers 30%, for all employees and all plans. Vice Chairman Lujan states, as a single Board member, he would rather everyone have an increase of the same amount instead of a percentage rate. As an example, Dominic Fierro created a worksheet that adds a \$1.00 straight across pay increase for all employees (except Manager, Temp & New Staff) from June 30, 2015 through June 30, 2018. Chairman Campos states he wanted to call the increase a cost of living and give everyone the same amount. Vice Chairman Lujan states, five or six years back, the Board gave employees \$1.00 increase and it worked wonders for morale across the board and believes this was the fair way. Ms. Gonzales states, if employees were given \$1.00 increase, NCSWA would have to find another place (line item) to take the money out of. Vice Chairman Lujan believes employees deserve an increase, but questions options and if NCSWA can afford it and what line items. Chairman Campos states that things may have changed because we have an injured truck. Chairman Campos goes on to say that yes, we do want new software but that's a pricy item and questions if we do that this year or next year. Chairman Campos states, if we don't do it this year, this will save money and will save money on Mr. Fierro's contract. Ms. Gonzales believes that NCSWA signed the contract for in-code software, but is unsure when the billing will start. Ms. Gonzales states the software is in this budget. Mr. Ed Fierro suggests to the Board to pass the bare minimum that can be done right now without any increases and next month. Mr. Fierro will get the Board that information and from there have a work session this way the Board is not guessing and will have a better idea on what is going on. Mr. Ed Fierro states he is a little concerned with the numbers in 2016 and 2017 because he is only seeing about 4.7. Mr. Ed Fierro introduces Dominic Fierro, and states he is the one that did the majority of the budget while Ed did the accounting part. Fierro & Fierro projected 5.2 as revenues. The way Fierro & Fierro came up with 5.2 is they took the actual cash deposits for this past fiscal year. Fierro & Fierro did not have May and June, so Fierro & Fierro used May and June of the previous years to have 12 years' worth of data. There was a rate increase that had an impact on the revenues. Mr. Ed Fierro also states that JoAnn Marquez is making an effort to collect delinquent accounts. Mr. Ed Fierro states he is showing 1.8 million as far as cash, that's a pretty solid number. Chairman Campos believes it the commercial growth in Española that has something to do with that. Mr. Ed Fierro states he will be able to tell for this Fiscal Year what the actual revenues and expenses were. Member John Ricci states regarding revenue, once we get to a cost for different areas, especially commercial, we may end up in a decrease because we are not competitive with markets. Mr. Ed Fierro states the amount billed should be pretty accurate. Chairman Campos states, as the books get more in line, NCSWA needs to

do some kind of rate study. Chairman Campos goes on to say what's done is done and there was nothing behind the rate increase except the fact that money was needed. Manager Peter agrees. Manager Peter Fuller states that he and Operations Supervisor Jerome Broyles are doing cost studies now and states people need to be educated and have the right to know as a citizen why they are paying X amount of dollars. Vice Chairman Lujan states we also have to consider what it costs NCSWA to do door-to-door in all those rural areas that the County wants done. Vice Chairman Lujan goes on to say that has to be part of the option and he's willing to look at that and thinks it's fair. The customer should be really paying what it costs them to get rid of their trash. Chairman Campos agrees, however NCSWA did not know what money we had. Chairman Campos states we don't know and that was his opposition to the rate increases. Chairman Campos states we are getting there, we are almost there. Member Alex Naranjo states, once we bring it up to date, we can analyze it a lot better. Member John Ricci states NCSWA has to find out what it really costs and break it out. There could be rates different in certain areas, commercials which is the strong point. Vice Chairman Lujan states it comes down to a tiered rate schedule. Right now, a lot of the customers of the County that are living closer to Española are helping subsidize the customers that are still getting the same service in more rural areas. Mr. Ed Fierro states that Board is going to have to make a decision in regards to the insurance. The entity is getting all their insurance commercial and they are not part of the State's insurance plan. Chairman Campos asks Mr. Fierro which insurance he suggests NCSWA go with. Mr. Ed Fierro states anytime you are doing commercial, the costs go up and NCSWA is doing commercial. He states it's expensive and NCSWA's insurance is the Cadillac of them all to include medical, liability and employee benefits. Chairman Campos states he did not know NCSWA was not on the State pool on the health insurance. Chairman Campos states NCSWA started out with the State pool. It was not brought before this Board to get out of the State Pool Chairman Campos states.

CFO Audrey Gonzales points out that some of these budget amounts won't be there next year because we are paying three years' worth of auditing for our "odd years". Chairman Campos goes back to consulting services and states as we move forward and we grow and is not saying to eliminate them.

Chairman Campos explains the insurance to Manager Peter Fuller. Chairman Campos states that Mr. Fuller needs to get a quote from Ezra, which is the County's health insurance, however NCSWA cannot sign up until December because July has passed. January 1<sup>st</sup> would be when NCSWA would be able to get into that pool. The last one is our overall blanket for the vehicles and everything else. The option for this is to go in Municipally or the association of the Counties. Manager Fuller states he meets Friday with our current insurance broker Brown and Brown.

Chairman Campos asks a citizen to state their name. Citizen Lorenzo Martinez from Rio Chama regarding the trash bill and would like to talk to Manager Peter Fuller after the Board Meeting.

Mr. Dominic Fierro states he has read the Regular and Special Board Meeting Minutes from June, and the way it was presented was the 1% COLA increase that was originally presented, was approved with an adjustment to Capital Outlay of \$55,000 to balance the budget. Technically what's happened is, the Board has approved the 1% COLA increase for staff without knowing insurances would be going up 4%. In actuality, the Board should be issuing staff a 1% COLA increase already, because that's the way the budget was presented and the way the motion was presented in the minutes. And then with the Vice Chairman Lujan to look back at the 4% health insurance increase and how will that effect the budget.

Mr. Dominic Fierro's recommendation is next month or shortly after to get back with the insurance. The budget is in place and accepted today and approved and by the Board. Chairman Campos asks Mr. Dominic Fierro if the 1% COLA is the overall payroll or is it 1% to each employee. Mr. Dominic Fierro explains the way Fierro & Fierro presented the budget is a 1% to each individual employee. It was not a 1% across the Board. Mr. Ed Fierro interjects by saying, even though the Board did that 1% when the first payroll was cut in July, the 1% was not implemented. Mr. Ed Fierro asks the Board if the Board is going to roll that back since employees never received the 1% or is the Board going to go with the 1%, and if that's the case then the difference needs to be made up what is owed to the employees.

Under discussion, Vice Chairman Lujan states we can bring everyone up to \$1.00 at some point. Once the Board gets better numbers, they will revisit this.

*Motion made by Vice Chairman Ben Lujan to Table \$1.00 pay increase for the staff, however wants more options as far as insurance.*

*Seconded by Member John Ricci.*

*Motion approved and carried 4-0.*

## **B. New Business**

### **NM Recycle Coalition**

## **X. Next Meeting – Wednesday, August 15, 2018 at 9:00 a.m.**

## **XI. Executive Session**

*Per Article 15, §10-15-1 of the New Mexico State Statutes Open Meetings Act*

*The Board of Directors closed session. The purpose of the closed session is to discuss the audit of the financial statements of the Authority for the fiscal years ended June 30, 2016 and June 30, 2017. The meeting is closed pursuant to Section 12-6-5 to 12-6-14, NMSA 1978 as amended.*

*Motion made by Vice Chairman Ben Lujan to enter Executive Session at 11:11 a.m.*

*Seconded by Member John Ricci.*

### **Roll Call Vote**

*Chairman Tomas Campos - In favor*

*Vice Chairman Ben Lujan - In favor*

*Member Alex Naranjo - In favor*

*Member John Ricci – In favor*

*Motion approved and carried 4-0*

*No action taken during Executive Session*

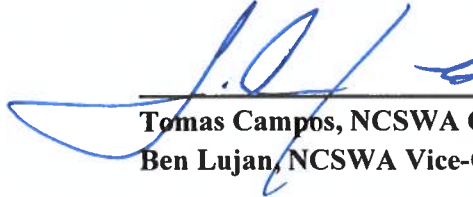
## **XII. Adjournment**

*Motion made by Member Alex Naranjo to Adjourn at 11:47 A.M.*

*Vice Chairman Lujan seconds the motion*

*Motion approved and carried 4-0*

APPROVED AND ADOPTED THIS 15 DAY OF AUGUST, 2018

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

ATTEST:

  
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Dino Chavarria, NCSWA Secretary