



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

**Wednesday, August 21, 2019 at 3:00 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>Present</i>

**Staff Members:**

Manager	Peter Fuller
Office Manager	Therisa C. Aguilar
Clerk III	Dania Perez

**Others:**

Rio Grande Sun	Amanda Martinez
Contract Attorney	Renee Barela-Gutierrez
Accountant	Ed Fierro

**II. Call to Order**

Chairman Campos officially called the meeting to order at 3:14 pm

**III. Approval of Agenda- Wednesday, August 21, 2019**

*Motion made by Vice Chairman Ben Lujan to take out item XI from the agenda and made a motion to approve agenda for August 21, 2019.*

*Motion seconded by Member John Ricci.*

*Motion approved and carried 4-0*

**IV. Approval of Minutes – Regular Meeting, Wednesday, July 17, 2019.**

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

*Motion seconded by Member John Ricci.*

*Motion approved and carried 4-0.*

**V. Audience Participation/Public Comment: None**

## **VI. Financials**

### **A. 2018 Audit Review by Beasley**

Manager Fuller telephoned Amr Sakka, CPA from Beasley to discuss the 2018 Audit at 3:16 pm.

Amr went over the audit findings and how some of these issues have been resolved with new staff and how others have repeated themselves but are getting modified.

Amr stated that on page 48 of the financial statements 2005-001 Segregation of Duties they noted that the accounts payable clerk was responsible for the entire payroll function. Her duties included entering data for new hires as well as updating and maintaining employee records, but also to include the preparation of various payroll reports. They recommended management review their segregation of duties and limit staff and resources.

Manager Fuller chimed in and stated that we have already distinguished between accounts payable and payroll we have distributed them amongst employees but we are working on desk audits to get this more situated. As to cash handling we have also divided these duties so there is no misappropriation of funds.

On Page 50 this finding is more of an organizational formation and oversight on material weaknesses. This is about the Joint Powers Agreement that was established in 2002. Amr stated the JPA has conflicting language within the document. Amr stated that the authority must seek DFA approval for all budget and financial reports. Amr asked if there was any status of the JPA agreement between the four regional governments.

Chairman Campos stated that there was a JPA that was signed by all of us and then it was modified, but has been going back and forth. Manager Fuller stated that this is still a mystery to him that he is not sure where this JPA is. Vice Chair Lujan stated that there was a JPA signed by all participating parties it was just not all signed on the same date. Chair Campos stated we needed a JPA for our attorney.

Attorney Barela stated that she has not seen one and she thinks that we are operating under the original JPA. Rio Grande Sun Staff Writer Amanda Martinez chimed into the conversation stating that they have a copy of the JPA. Vice Chair Lujan stated that is when the second board member was added per the JPA. City of Espanola Member John Ricci stated that what he heard was that the JPA was not completely signed that there was missing signatures.

Amr stated that the third finding is on page 53 the 2007-010-Subsidiary Records and Inventory-Material Non-Compliance. During our test work over capital assets we identified that the authority was not compliant with the requirements of the NM Administration Code and GASB 34 paragraphs 18 through 22. We recommend the Authority maintain its capital assets ledgers as prescribed by the NM State Administrative Code and institute policies and procedures to conduct an annual inventory of all assets owned by the Authority.

Manager Fuller stated that NCSWA is in the process. We currently have an operation supervisor on board and he and our chief mechanic and I are in the process of doing a physical inventory and finding what our assets are and entering them into our financial software system.

Amr stated that on page 54, 2012-001 Per Diem-Material Non-Compliance, was noted that we did not provide supporting documentation for \$100.00. With the hiring of the CFO there is a renewed

emphasis on compliance with mileage and per diem. Manager Fuller stated that we have forms that for if we are doing company related travel they have to fill out these forms so we can stay in compliance with all documentation.

Amr stated that another finding was on page 55 concerning 2015-002 Procurement Code-Material Non-Compliance. Amr stated that NCSWA does not have a procurement policy in place. They noted that 10 vendors with expenses larger than \$60,000 for a total of \$2,356,141 was properly procured.

Amr continued to go over the remaining findings that are located in the NCSWA year ended June 30, 2018 audit report.

*Member James Martinez left the meeting at 4:05 pm*

#### **B. Resolution 2019-008 Acceptance and Approval of the FY 2018 Audit**

*Motion made by Vice Chairman Ben Lujan to approve Resolution 2001-2018 and FY 2018 Audit as explained.*

*Motion seconded by Member John Ricci.*

*Motion approved and carried 3-0.*

#### **C. May 2019 (Balance Sheet) Financial Statements**

Ed gave a background of what was going on. He stated the board was aware that we changed accounting software from Caselle to Incode 10. There is a planning process that happens when a major change is going to happen.

There were two key people that where in that planning are no longer employed by the organization. So when the conversion was made they begin cutting a few checks with in Tyler at the end of March. Manager Fuller got me involved and had me fix the accounting records for March in Caselle.

So for the first nine months of the fiscal year all the activity is within in Caselle. And then in April check were being printed out of Incode 10 but kept receipts in the old software for April and May, but did payroll and cut checks in the new software. So I have spent a lot of time merging data from the old software to the new software.

Last time we discussed the financial statements for April there was questions regarding liabilities, capital assets, current assets other than cash. I had a plan in mind on how to get this done. Throughout the fiscal year to keep all the records on a cash basis because the budget is constructed on a cash basis.

#### **D. May 2019 Check Report**

The check report lists all the checks that were issued in the month of May. This is a standard report. What is nice about Incode 10 is that it is nice to export out as an excel spreadsheet.

#### **E. May 2019 Aging Report**

As of May 31 the only liabilities that are outstanding that need to be paid by the organization are tax and revenue which is related to state income tax withheld and this is due on the 25<sup>th</sup> of the following month.

## **F. May 2019 Income Statement**

Member John Ricci stated that here we are in the month of August and we are speaking about the month of May and in any operation I can't make any correction because we are three months past the problem if there was, is it because lack of personnel or because we are in a software change. Will we improve to close out a month in May?

Ed Fierro stated that Mr. Ricci answered his own question. Ed stated we have to get that personnel and the software we just have to get it to fit from one software to the next. Fierro stated that we can keep our tally sheets but we need to make one deposit so it reflects in the books.

## **VII. Manager's Report**

Manager Fuller stated that JoAnn Marquez has continued to collect \$18,763.14 on 22 accounts since out July BOD meeting. There is still a lot of money out there to clean and she is cleaning them.

With regards to the tire cutter I am putting this on the back burner until we figure out with Attorney Renee. This is not as high as a priority as trucks are right now, we are pricing for a 150k BTU oil burner that is \$7,300 and Operations Supervisor Jonathan is working on this.

We want to increase our presence and we want to sponsor our own clean up events and invite our communities to join in. We want to thank Chairman Campos and Senator Martinez for working with us on our roll-off truck needs.

The issue with cardboard is that we are looking with town recycling in Albuquerque this looks like our best option.

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

Member John Ricci questioned the tire cutter why it got moved to trucks. Manager Fuller stated that he has three thousand dollars in capital money that I can be allocated for trucks, which is barely two trucks, if I can lease to own a five-year lease, I can pay forty thousand a year per truck plus five trucks for two hundred thousand dollars a year, and still have a thousand dollars left in the capital kitty, half of what we can invest or do something with, and I'm turning my fleet in the next five years. Until I can find out about these trucks a tire cutter is a lower priority to me.

Member Ricci stated that the issue was to elevate the issues we have with our tires and were talking 50k compare to your budget, because the tires have been an issue. We have been talking about this for months and everything that we have talked about its all blown by. No tire cutter no cardboard, Member Ricci stated he was frustrated because he stated that he understands that trucks are a priority but think that we can walk and chew gum at the same time, this will help us and our environment and let our customers know that we are taking it serious. Member Ricci stated we need to look at the most feasible way. I want to see answer on these recycling issues.

Vice Chair Ben Lujan, asked if pine needles were ever taken care of from the last meeting he also wanted to know if we could look into the amount of trash that we are disposing of there that customers are throwing trash that they are not paying for, at double O(Ohkay Owingeh) because our bill has gone up significantly this past and I just want to make sure that I am budgeting enough for this.

Member Ricci asked about roll-offs within the city. I had planning look at the franchise agreement between NCSWA and the City of Española and there is nothing in the franchise that is strong to support that NCSWA is exclusive. Ricci stated that we need to have our legal look into this and make our franchise agreement better.

Member Ricci wanted to stated that clerk Dania her service was impeccable customer service in assisting me with opening an account for our business.

**IX. Old/New Business**

**A. City Commercial Rates**

Manger Fuller presented a spreadsheet on Roll-Offs in the City.

**X. Next Meeting – Wednesday, September 18, 2019 at 3:00 P.M.**

**XII. Adjournment**

*Motion made by Vice Chairman Ben Lujan to Adjourn at 4:57 P.M.*

*Member John Ricci seconds the motion*

*Motion approved and carried 3-0*

**APPROVED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019**

\_\_\_\_\_  
**Tomás Campos, NCSWA Chairman**  
**Ben Lujan, NCSWA Vice-Chairman**

**ATTEST:**

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**Dino Chavarria, NCSWA Secretary**