

MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON NOVEMBER 16, 2017, AT 8:30 A.M., IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM

VOTING MEMBERS PRESENT:	Craig Stephens Russell Hardy Larry Henderson	Chairman (telephonically) Member Member
VOTING MEMBERS ABSENT:	Gary Perkowski Fred Beard	Member Member
EX-OFFICIO MEMBERS PRESENT:	Steve McCutcheon	Ex-Officio/City Administrator/ Secretary
EX-OFFICIO MEMBERS ABSENT:	Mayor Dale Janway	Ex-Officio/Member
OTHERS PRESENT:	Mike Hernandez Annette Barrick Eileen Riordan Wendy Hammett Ron Myers Wes Nichols Richard Aguilar Jason Burns Larry Gregory Richard Greb Morando Berrettini	Deputy City Administrator City Clerk City Attorney Finance Director/City Treasurer Double Eagle Superintendent Collections Superintendent Environmental Superintendent Projects Engineer Citizen Vista Encantada Development Vista Encantada Development

Time Stamps and headings below correspond to recording of meeting and the recording is hereby made a part of the official record.

0:00:00 1. Call to Order
Larry Henderson called the meeting to order.

0:00:00 2. Roll Call and Determination of Quorum
Larry Henderson called Roll and it was determined that there was a quorum of voting members.

0:01:00 3. Approval of Agenda
The motion was made by Russell Hardy and seconded by Larry Henderson to pull item #6 and Approve the Agenda as Amended. The Vote was as follows, Yes: Larry Henderson, Craig Stephens and Russell Hardy No: None, Absent: Gary Perkowski, and Fred Beard. The Motion passed.

0:01:27 4. Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on October 19, 2017

The motion was made by Russell Hardy and seconded by Larry Henderson to Approve the Minutes of the Regular Board of Water and Sewer Commissioners Meeting held on October 19, 2017. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, and Russell Hardy No: None, Absent: Gary Perkowski, and Fred Beard. The Motion passed.

0:01:55 5. Consider request from Gabriel Romero regarding Account No. 33-92-01230-03

Larry Henderson called form Mr. Romero. He did not attend the meeting. Mike Hernandez said he had talked with Mr. Romero and he could explain the request. He said Mr. Romero was late paying his water bill and was going to be charged the late fee. He said Mr. Romero did not want to pay the re-connect fee. Mr. McCutcheon said Mr. Romero has been late several times but had always paid before the cut-off. He added that these type of payment issues were the reason for the fee increase. He reminded the Board Members the fees were adopted to make it neutral with the costs involved in the administrative work and re-connecting. Ms. Hammett said he paid the past due amount, the late fee, but did not pay the re-connect fee until coming before the Board. Ms. Riordan said Mr. Romero told him that Mr. Romero told her the public perception was that the fee was punitive. She said she explained all the payment options to him. Mr. Hernandez said Mr. Romero threatened to involve the PRC. Ms. Riordan explained the PRC role.

The motion was made by Russell Hardy and seconded by Larry Henderson to Deny the Adjustment due to Mr. Romero's absence. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, and Russell Hardy No: None, Absent: Gary Perkowski, and Fred Beard. The Motion passed.

6. Consider approval of request for Water Service Outside the City Limits, 2330 Collins Ave, Applicant: Doyle Smith
Not presented, pulled from Agenda

0:08:36 7. Water and Sewer Department Monthly Reports presented by Ron Myers

Ron Myers said less water was pumped and sold last month. He explained that there were more meters this month than last month. He said Double Eagle is up and WWTP is operating very well. The Sewer Collection System cleaned over 32,000 feet of sewer lines.

0:10:38 8. Utilities Department Project Updates presented by Ron Myers

Ron Myers said work continues on Well #6 and the scheduled completion is December. He said the Double Eagle Phase III project is wrapping up and should go out to bid after the first of the year. Mr. McCutcheon said the latest Engineer Estimate for the project is \$12 million.

Larry Henderson asked if there was news regarding the Effluent Project. Mr. Myers said Luis Camero has made an Application to the Water Trust Board. Mr. Hernandez said Luis Camero feels optimistic about the application with the Water Trust Board.

0:13:42 9. Financial Reports presented by Wendy Hammett

Wendy Hammett reported on the Revenues and Expenditures. She said the report is favorable. She said Septage is under budget. Mike Hernandez explained that the Plant stopped taking Septage for a short period of time. Ms. Hammett said the Effluent contract is under budget but it is a guaranteed amount at the end of the contract. Ms. Hammett reported that Double Eagle is under budget due to the projections. She also reported that Labor, Operating Costs, and Capital Outlay are favorable at this time. Mr. McCutcheon said we are managing this fund very carefully.

0:18:42 10. Discussion Vista Encantada Development

Mr. Richard Creb explained that he is working on a development project outside the City limits. He said his previous request was tabled by the Board to allow him to obtain additional information. He said the development is moving forward and growing in scale and scope. He said he wanted to get input from the Board before submitting a formal request. He said he asked Larry Gregory to attend the meeting to assist with the water service issues with the property. Mr. Creb also introduced Morando Berrettini who brings many years of experience with Unions.

Mr. Creb explained that Carlsbad has an extreme demand for housing. He said the first stage of his development will alleviate the man camp issue in Carlsbad. He said he is proposing more than 50 Park Model RVs under one water meter. He said he will apply for USDA funding. The funding requires development in rural areas. And the land outside the city limits will qualify for that funding but he will need City Water Service. He said the complete plan includes 1500 Units on 9 to 12 acres. He said his plan will have additional facilities such as a swimming pool, and other recreational facilities. He said it will be a seven million dollar project.

He stated that his current request is for a single meter, a single use and a water tap off the City line. He said they are currently doing the Engineering Studies but asked what the Board expected before they return to formally make their request. Mr. Gregory said they have to get final Engineering Studies for R-O-Ws, BLM R-O-Ws, and State R-O-Ws that could be very costly. He said they will develop to City Standards.

Steve McCutcheon recommended annexing the property. He asked if the R-O-W will be assigned. Larry Gregory said it will be a thirty-year R-O-W with an assignment at the end. Mr. Creb said they are looking at 160 acres. Eileen Riordan explained that the property may qualify for a forced annexation.

Mr. Creb explained the development will need 163 to 200 acre feet of water. Mr. Gregory said they are working on a backup water plan. Mr. McCutcheon suggested doing a side by side comparison of costs for water outside the city limits. He said he thinks annexation may be a cheaper option. Ms. Riordan reminded the Board that the Agreement for water service outside the city limits is not transferable from owner to owner. She asked if the project is being done for someone else to operate? Mr. Creb said it is possible that it would be a separate owner. Mike Hernandez said in the case of water rationing, customers outside the city limits are the first to be cut off. Eileen Riordan explained the Agreement is written to cover catastrophic failures.

Mr. Creb explained that he plans to use a portable Waste System that is 100% reusable effluent. Mr. Gregory said the Effluent will be ponded.

Larry Henderson asked what percentage of the development will be Park Models. Mr. Creb said it depends on demand. He said it will be built in phases and filled as soon as possible.

Larry Henderson said he is supportive of a quality RV Park with the Park Models. Mr. Creb said the Park Models are limited to 499 square feet in size. He said they are making provisions to expand them with additions. Larry Gregory said the park will be very nice. Mr. Hardy said he thinks the housing is needed and will be accepted at this location because it is closer to the work activity.

Mr. Berrettini explained that he will work on Union development. He said he feels that the Union's participation is important due to the size of the project and the work force.

Mr. Creb said there will be many in the work force who will re-locate to Carlsbad. He said this is an opportunity of a lifetime. It will be good for the community. Mr. Gregory said this development will be utilized after the oil and gas boom, unlike mancamps. He said this development will solve a housing problem for right now.

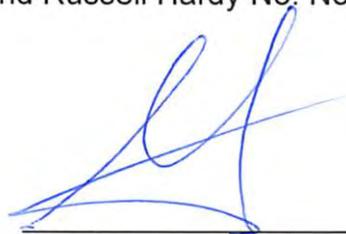
0:57:39 11. Consider approval of Septage Rates

Mr. McCutcheon said Ron Myers provided some data to review regarding the Septage Rates. Mr. Myers said Stallion is 89% of our Revenue. He said Stallion is from Hobbs but they have a large portion of the business in the area. Russell Hardy stated that if our rates are raised to Hobbs rates; we will likely lose their revenue. Mr. McCutcheon asked Ron to present the rates. Ron Myers said Hobbs is 12 cents per gallon and we are 8 cents per gallon. Mr. McCutcheon suggested talking with Stallion about our proposed rate increase. He said they are about a \$45,000 a month customer. Larry Henderson suggested not taking any action at this time. Mr. McCutcheon said it is worth speaking with the company.

The motion was made by Russell Hardy and seconded by Larry Henderson to Table the proposed Septage Rate increase until the City has talked with Stallion. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, and Russell Hardy No: None, Absent: Gary Perkowski, and Fred Beard. The Motion passed.

1:03:22 12. Adjourn

The motion was made by Russell Hardy and seconded by Larry Henderson to Adjourn. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, and Russell Hardy No: None, Absent: Gary Perkowski, and Fred Beard. The Motion passed.



Chairman