

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS APRIL 18, 2019, AT 8:30 A.M., IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM**

**VOTING MEMBERS PRESENT:**                      Criag Stephens                      Chairman  
    Gary Perkowski                      Member  
    Larry Henderson                      Member (entered 8:33)  
    Fred Beard                              Member

**VOTING MEMBERS ABSENT:**

**EX-OFFICIO MEMBERS PRESENT:**    Michael A. Hernandez              Ex-Officio/City Administrator/  
    Eddie Rodriguez                      Secretary  
       Ex-Officio/Mayor Pro-Tem/  
       Member

**EX-OFFICIO MEMBERS ABSENT:**

**OTHERS PRESENT:**                              John Lowe                              Deputy City Administrator  
    Ron Myers                              Utilities Director  
    Wes Nichols                              Utilities Deputy Director  
    Wendy Austin                              Director of Finance & Investments  
    Joe Harvey                              WWTP Superintendent  
    Eileen Riordan                              City Attorney  
    Olga Ramirez                              Assistant to City Administrator  
    Jason O. Chavez                              Councilor  
    Angela Hernandez                              Executive Secretary  
    Maria O'Brian                              Modrall Sperling LLP  
    Scott Goodale                              Mosaic  
    Glen Beal                                      Ellipse Global  
    Dave H    Ellipse Global  
    Chris Prater                                      Citizen  
    R.Miller

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

**0:00:01      1.      Roll Call and Determination of Quorum**

C. Stephens called roll and it was determined that there was a quorum of voting members.

**0:00:15      2.      Approval of Agenda**

The motion was made by G. Perkowski and seconded by F. Beard to Approve the Agenda. The vote was as follows, Yes: C. Stephens, F. Beard, G. Perkowski No: None Absent: L. Henderson  
 The Motion passed.

**0:00:43 3. Approval of Minutes of the Board of Water and Sewer Commissioners Regular Meeting held March 21, 2019**

The motion was made by G. Perkowski and seconded by F. Beard to Approve the Minutes of the Regular Board of Water and Sewer Commissioners Meeting held on March 21, 2019. The vote was as follows, Yes: C. Stephens, F. Beard, G. Perkowski No: None Absent: L. Henderson  
The Motion passed.

**0:01:08 4. Consider Approval of Request for outside city limits water service from Ellipse Global for property located at 26 Quahada Road**

G. Beal Construction Manager for Ellipse Global said they have a facility on 26 Quahada Road about 85 acres with a workforce camp and RV Park. They are looking to tap into the Double Eagle Line for additional water for this property. Currently they have 3 wells but they are limited to a certain number of acre feet per well and they have a New Mexico water distribution permit and treat all their water RO Systems, are just looking for additional well water. The pipeline is at the end of Quahada Road and they are about 450 ft. off the Hobbs Hwy. C. Stephens asks how many people were going to live at the establishment, G. Beal responded there is 184 beds in the lodge and 126 RV spaces. He said they have as primary clients, XTO, Delta Constructors, Alamo Pressure and Versa Tech. G. Perkowski asks if the city has worked with Atkinson Engineering before, R. Meyers stated he has not had any experience with them before and not sure if anyone in the City has worked with them. G. Beal gave a little background on Atkinsons Engineering and said he was very impressed with their firm and background. He said their on-site contractor was R. Miller, who was present, with CMX, he is responsible for overseeing the on-site distribution system, etc. G. Beal stated his direct contact with the state engineering office is Chris Cortez.

F. Beard asked what the capacity out that way was. R. Meyers said they want to tap into the transmission that feeds into town, there is quite a bit of capacity. There are some concerns, one, it is raw water and they will have to treat it. If they test positive to coliform or e-coli then the city is required to go out and sample all the wells within 24 hours, which would be a burden on the city. Also, when Double Eagle phase 3 goes on line, we are going to want to use just about every drop of water that can be pumped. R. Meyers says we probably do have some capacity to feed what they are asking for. Some other concerns to think about is do we limit this to just this project or do we allow someone else to tap in, and then we will have to start talking about capacity again. C. Stephens asks does it pose any problem tapping into the 24 inch line, R. Meyers responded it can be done. M. Hernandez adds historically they try not to tie into transmission lines.

G. Beal states as part of their water distribution permit they are required to have a Level 4 Certified Operator which they do. Their ongoing testing program is well in place. R. Meyers asked what they do with the waste. G. Beal stated the waste is distributed to the back of the property. They have 0% coliform or fecal contamination so the system is working well.

C. Stephens asked if this would be a contractual situation, E. Riordan states it depends on how the board wants it set up. C. Stephens stated he thinks they will want to do it that way. He said if there were any e-coli or coliform found, there would be additional costs for the city. G. Beal states they would absorb that expense. M. Hernandez stated it gets expensive to test all the wells. G. Beal gave a brief background on Ellipse Global.

M. Hernandez asks if they have fire protection. G. Beal responds that they do have hydrants throughout the camp and a type 4 fire engine on site. M. Hernandez asks if this is based on the flow of the 3 wells, G. Beal responded that is correct. M. Hernandez asks how much volume those 3 well produce, G. Beal responds that they will produce an adequate amount but they are limited by the state. The primary well is 26 gallons a minute but they have 50,000 gallons of treated storage on site. G. Perkowski asked if they own the property and how far out the property was located. G. Beal said yes they do own the property. R. Meyers stated that it was about 2 miles from City limits. M. Hernandez told the board that there could be a man camp on the Hobbs Highway or if this is denied there is potential to move this into Carlsbad with more traffic, there are pros and cons, no matter how you look at this situation. C. Stephens ask if the city water can be used as backup water instead, G. Beal stated they need our water to have sufficient quality and not violate the acre feet. Councilor Chavez asked if they could lower their man camp capacity so they wouldn't have to use the City water, if they had too. G. Beal stated their alternate would be to buy offsetting water rights.

Councilor Rodriguez asks if Chris Cortez would be the engineer of record whose license we would look up and make sure it's adequate for this project. G. Beal responded that he is the primary contact at Atkins Engineering, he is not certain on technical qualifications. Councilor Rodriguez was concerned that their out of state engineer office may be very knowledgeable with the aquifer but not in the installation and tying into the utilities. He asked that G. Beal provide the information to R. Meyers to make sure everything is legal. Councilor Rodriguez asked if there should be a leak on the back side of their tie end and there is water loss, would their company be responsible for the loss of water. G. Beal responded absolutely.

M. Hernandez to the board to do this, the city would have to extend the mainline across the highway to get a tap on line, which would be at the expense of the contractor. R. Meyers stated the cost of the water is 2½ times the amount of the City rate. This request is a little unique so whether we want to consider this a Double Eagle or outside city limits request that is up to the board. C. Stephens asks how the rates compare from Double Eagle and City, R. Meyers explained to the board the rate structure. Councilor Rodriguez stated that as a Councilor whether its Double Eagle or Sheep's Draw, he considers all the water that flows into Carlsbad through our purchase rights to belong to the citizens of Carlsbad so he wouldn't distinguish between the two.

L. Henderson asks for clarification of the requests, tapping into the 24 inch line isn't that something the City does not prefer to do. M. Hernandez stated right, historically the city does not tap into transmission lines. C. Stephens said this would also be a termed service once Double Eagle Phase III is completed, that service may be terminated. R. Meyers feels there are some concerns for this request. Double Eagle can only pump so much water and we could bring all that into town and use it. F. Beard stated he was concerned with raising the rates of water 2 ½ times, he asked if that water would be chlorinated. R. Myers stated no this will always be potable.

F. Beard asked what the possible growth of that camp was. G. Beal responded he thinks there is the potential for more. S. Goodale asked if they were interested in leasing the rights, maybe a five year lease. S. Goodale stated Mosaic has the city water lease, the city can make the same amount of money and lease those rights to those well and there won't be a risk. R. Myers asked if they were in

the same aquifer. S. Goodale said yes, it's out of the Captain Reef. G. Beal stated the wells have plenty capacity they would be happy to lease. They aren't short on capacity they are short on rights.

C. Stephens said he would like to consider tabling this so the city can do some research. G. Perkowski said he agrees. M. O'Brian said she conquers with the chairman; this is something the city needs to explore. Some suggestions were brought up that the city needs to discuss and evaluate.

The motion was made by G. Perkowski to table for further studies between Ellipse and the city and come back with a recommendation and that doesn't go against the City Ordinance. F. Beard seconded the motion. The vote was as follows: Yes: C. Stephens, L. Henderson, G. Perkowski, F. Beard No: None, Absent: None. The motion passed.

**0:28:57 5. Consider Approval of Request for outside city limits water service from Donna Davis for property located at 217-4 Grassburr Lane**

C. Prater was there representing Donna Davis, he stated they have a 10 acre section of land, and would like to request two meters for two acres. He said one meter had been approved but they missed the deadline to have in installed and put into service. He is here to request it again and an additional one for another acre. R. Myers showed the board where the meters would be placed. He stated there are already five meters in that area and one of the meters already services the Davis property. C. Prater stated they do already have one line feeding over to the storage units. E. Riordan asked if one of the meters is servicing a storage unit, we are restricted for residential. C. Stephens asked if it was for residential use and not a shop. C. Prater stated yes it would be used as a residential. G. Perkowski asked how far out of the city limits this property was, and if we had the easement. E. Riordan asked who the owner of the property was, C. Prater stated Ms. Davis was and would remain the property owner. E. Riordan stated these agreements are nontransferable, if she chooses to sell the property the new owner would have to come in and request water service.

R. Myers mentioned there was a \$2500 per acre fee, E. Riordan said it's for per acre to be served and it is limit to one acre. C. Stephens said there are two requests, are they both for one acre each. C. Prater stated yes.

The motion was made by L. Henderson and seconded by G. Perkowski. The vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, G. Perkowski No: None Absent: The Motion passed.

**0:41:38 6. Consider Approval of Request for outside city limits water service from Donna Davis for property located at 217-1 Grassburr Lane**

C. Stephens said this is similar to the previous request. He asked the board for any discussion. There was none.

The motion was made by L. Henderson and seconded by F. Beard to approve. The vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, G. Perkowski, No: None Absent: None The Motion passed.

**0:42:15 7. Utilities Department Monthly Reports and Project Updates presented by Ron Myers**

R. Myers stated nothing unusual everything is going well. J. Harvey told the board they cut three more haulers off. He thanked the board for approving to increase the septage rates. He said they had about 10 others contact them to get signed up. He said they are getting slammed out there. He has been sending them to Artesia, Hobbs and even Pecos. He said they are bringing in some revenue. M. Hernandez said the Capital Improvement request submitted by Mr. Harvey made it through the initial interim budget; it has not been approved yet. R. Myers stated about a month ago Well #6 went down during that really bad windstorm; they got it back online yesterday.

F. Beard asked if in the initial budget if there was funding for a generator. R. Myers said yes they did receive initial approval in the interim budget we are waiting on final approval. That would be for a generator for Well #6.

**0:44:45 8. Financial Reports for February 2019 presented by Wendy Austin**

W. Austin reported on the Financials. She stated the revenue fund is favorable to budget. Labor is favorable to budget, operating is favorable to budget and capital is favorable to budget. She cautioned the board about the funding for Double Eagle Phase III. G. Perkowski asked if the city was approved for any Capital Outlay projects. M. Hernandez said yes, the city got approved \$250,000 for a generator for a lift station. He said the city also received Capital Outlay for Kircher Street and funding for a storm drain upgrade improvement.

L. Henderson asked what was happening on Alameda Street. J. Lowe gave an explanation of the project. M. Hernandez mentioned the city has about \$7.5 million in street projects.

**0:53:18 9. Adjourn into Closed Session Pursuant to Section 10-15-1(H)(7) and (8), N.M.S.A. 1978, discussion of Threatened or Pending Litigation and the Purchase, Disposal or Acquisition of Water Rights**

The motion was made by G. Perkowski and seconded by F. Beard to Adjourn into closed session. The vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, G. Perkowski No: None, Absent: None. The Motion passed.

  
Chairman