

MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS JULY 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
Fred Beard	Member
Larry Henderson	Member
Dennis Miehl	Member
Gary Perkowski	Member

VOTING MEMBERS ABSENT:

EX-OFFICIO MEMBERS PRESENT:

Michael A. Hernandez	Ex-Officio/City Administrator/Secretary
Eddie Rodriguez	Ex-Officio/Mayor Pro-Tem/Member

EX-OFFICIO MEMBERS ABSENT:

OTHERS PRESENT:

John Lowe	Deputy City Administrator
Eileen Riordan	City Attorney
Denise Madrid-Boyea	Deputy City Attorney
Wendy Austin	Director of Finance & Investments
Ron Myers	Director of Utilities
Wes Nichols	Utilities Deputy Director
Joe Harvey	WWTP Superintendent
Richard Aguilar	Environmental Services Superintendent
Olga Ramirez	Assistant to City Administrator
Trysha Carrasco	Deputy Director PER
Phil Lawson	Citizen
Joy Ainsworth	Citizen

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.

0:00:22 2. Approval of Agenda

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

0:00:32 3. Approval of Minutes of the Board of Water and Sewer Commissioners Regular Meeting held June 20, 2019

The motion was made by L. Henderson and seconded by D. Miehl to approve the minutes of June 20, 2019. The vote was as follows, Yes: C. Stephens, G. Perkowski, D. Miehl, F. Beard, L. Henderson No: None Absent: None The Motion passed.

0:00:45 4. Consider Approval of Request for Water Service outside City Limits from Phil Lawson for property located at 2006-2 Connie Road

Phil Lawson stated to the Board he would like to buy some property on Connie Road it doesn't have any water and he wants to get city water for the property. He wants to put an additional trailer and multi travel trailers. E. Riordon asked for clarification and asked so you will have one trailer house and two travel trailers. R. Myers stated he is wanting one house and up to two travel trailers. P. Lawson responded yes, currently there is a trailer on the property. He would like to get water to that trailer and depending on the activity will put another trailer or up to two travel trailers on the property. E. Riordan mentioned this water service is only for domestic use. P. Lawson said it would be used for residential only. D. Miehl asked if he planned to use only 350 gallons a month or was that an error. P. Lawson stated he is unsure how much water he would be using.

C. Stephens asked how big the property was. P. Lawson said its 3 acres. R. Myers stated there is a Water Rights acre feet fee, does that fee apply to the full 3 acres or just the trailer house he is supplying water to. M. Hernandez stated it depends on how he designates it. E. Riordan said there is a \$2500 acre feet fee you can pay the rate for the 3 acres or designate the one acre that you want the water to service. You will need to designate the location of the acre. She mentioned the decision would have to be finalized before the contract could be drawn up.

G. Perkowski asked if he planned on putting a man camp later. P. Lawson stated no it's housing and safety for his employees. C. Stephens asked what the maximum employees he would be housing. P. Lawson stated about six no more than 8.

The motion was made by G. Perkowski and seconded by F. Beard to approve the outside City Limits Water Service. The vote was as follows, Yes: C. Stephens, G. Perkowski, D. Miehl, F. Beard, L. Henderson No: None Absent: None The Motion passed.

0:06:43 5. Consider Approval of recommendation to City Council for approval to advertise RFP for a Multi-Year Sales Agreement to purchase non-potable water from the three existing Tatum Well Sites

M. Hernandez stated there are three existing Tatum Well sites that have been drilled but are not equipped and have no electricity. Discussions have been held in the past regarding equipping those wells and trying to get a buyer that would be interested in purchasing non-potable water. The city would be able to use a portion of those funds to extend water lines, if it proves beneficial in that area and to build more wells.

M. Hernandez said he believes with the prior administrator there were a few interested parties. M. Hernandez distributed a list stating the pros for advertising an RFP. M. Hernandez said one of the pros' it would put the Water Rights to beneficial use and it would provide real long term

pumping data. L. Henderson stated this would be a good benefit to the city to get accurate data from the Aquifer. F. Beard said basically the city needs to generate enough revenue to pay for the line. M. Hernandez said the city needs to do an RFP to estimate revenues, cost per barrel. C. Stephens asked what cost the city was looking at. M. Hernandez said they aren't sure they would have to see what is offered. He stated the city does have funds budgeted to equip them.

G. Perkowski stated this is non-potable water, so it won't be coming to the city. M. Hernandez said right, not until it's treated. F. Beard stated there's the potential of a lot of interest from the municipalities and the potash mines it could be an issue. M. Hernandez said the city would have to put a limit on the contract. E. Riordan stated to the board going out for an RFP doesn't commit the city to award it. Councilor Rodriguez said the city would have to term the contract.

G. Perkowski said they would need to put some type of figure on it before the board votes. L. Henderson asked so right now there are three sites currently drilled. What is the total number of sites to be drilled? M. Hernandez said there are a lot.. G. Perkowski asked if the money had to go to that fund. W. Austin said the city would have to make sure those funds were dedicated to the Water and Sewer fund. F. Beard asked if those funds would be used to make up the shortfall with the rates. W. Austin said it all depends; income is used to make up for the shortfall of the rates. She stated these funds can be allocated to debt service. M. Hernandez said he would like to see it used for debt service and to help build the Tatum fund.

C. Stephens asked if they could add a year limit to the contract. F. Beard added with a 2 year option for renewal. E. Riordan reminded the board if a portion of the facility is leased it would have to be approved by an Ordinance if the portion leased is valued at more than \$25,000. M. Hernandez asked if there was a minimum cost the board would like. He said he has spoken to Maria with Moddrall and she agreed it would help with the protest from Lea Co to put the Water Rights to beneficial use.

F. Beard said the big picture is to not sell to the oilfields. M. Hernandez said right, the city is limited to what we can bring in from Double Eagle; we are limited to one of our smaller wells. C. Stephens said we still need to see if it is beneficial to bring the water to Carlsbad. J. Lowe asked if the city would wait until the RFP's were returned to equip the wells at Tatum. M. Hernandez said yes. F. Beard asked if the city could write up the RFP and let the board review it before it goes out.

The motion was made by F. Beard and seconded by G. Perkowski to develop and review the RFP prior to advertising for a three year agreement with a possible extension to five. The vote was as follows, Yes: C. Stephens, D. Miehl, F. Beard, L. Henderson, G. Perkowski No: None, Absent: None. The Motion passed

0:26:16 6. Utilities Department Monthly Reports and Project Updates presented by Ron Myers

R. Myers said nothing unusual. Sheep's Draw pumped less than the previous year. He stated there are more people living in RV Parks, man camps with no outdoor landscaping and this shows the significance of the water use for outdoor landscaping, so there's a lot more water available for domestic use.

J. Harvey said the price went up in June for the haulers. June was pretty high, July is down a little. He doesn't expect to see the numbers that high again. He said some other dumpsites may have opened up. He stated Artesia is not taking hardly anything; it's really hard to dump in Hobbs and Lazy 8's finally got permits so they opened up.

R. Myers mentioned to the board that he placed the order for the back-up generator, hopefully within the next three to six months there will be another site with a generator. C. Stephens asked what the cost was. R. Myers said it was a little under \$600,000. R. Myers reported on Double Eagle stated they began pouring the base for the concrete tank out there, things are moving along.

0:30:07 7. Financial Reports for May 2019 presented by Wendy Austin

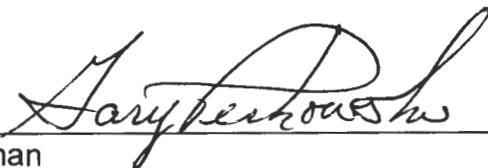
W. Austin reported on the Financials. She stated Revenues are favorable to budget, Labor is favorable to budget. Operations are favorable to budget. Capital is favorable to budget. She reminded the board this is due to the timing of Double Eagle. She mentioned to the board that Revenues are up from what was originally budgeted and she said R. Myers does a great job at cost control.

F. Beard asked what was going on Oilfield wise in Sheep's Draw are they building those pipelines. R. Myers responded yes. C. Stephens asked what's going on with reviewing our Wellhead Protection Ordinance. M. Hernandez said he spoke to Maria and she plans to attend the next meeting to give the Board a review of the Draft on the 40 year Water Plan update. The following month Dave and her will be here to give the Board a review on the Draft Wellhead Protection. C. Stephens asked if they had determined if the city could prevent them from drilling within the Wellhead Protection area. M. Hernandez responded they don't believe so.

J. Lowe stated he would bring a draft of the Ancillary Fee Structure. He has been working with Stantec and it will show the projected impact on the Budget.

0:36:01 8. Adjourn

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



Chairman