

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON JANUARY 19, 2017, AT 8:30 A.M., IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM**

<b>VOTING MEMBERS PRESENT:</b>	<b>Craig Stephens Larry Henderson Russell Hardy Fred Beard</b>	<b>Chairman Member Member Member</b>
<b>VOTING MEMBERS ABSENT:</b>	<b>Gary Perkowski</b>	<b>Member</b>
<b>EX-OFFICIO MEMBERS PRESENT:</b>	<b>Steve McCutcheon</b>	<b>Ex-Officio/City Administrator/ Secretary</b>
<b>EX-OFFICIO MEMBERS ABSENT:</b>	<b>Mayor Dale Janway</b>	<b>Ex-Officio/Member</b>
<b>OTHERS PRESENT:</b>	<b>Eileen Riordan Annette Barrick Wendy Hammett Mike Hernandez Luis Camero Ron Myers Jamey Schwiger Wes Nichols Richard Aguilar Joe Harvey</b>	<b>City Attorney City Clerk Finance Director/City Treasurer Utilities Director Projects Director Double Eagle Superintendent Water Dept. Superintendent Collections Superintendent Environmental Services WW Superintendent</b>

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.      Call to Order**  
Craig Stephens called the meeting to order.

**0:00:04                    2.      Roll Call and Determination of Quorum**  
Craig Stephens called Roll and it was determined that there was a quorum of voting members. Those present were: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard; Absent: Gary Perkowski

**0:00:15                    3.      Approval of Agenda**  
The motion was made by Russell Hardy and seconded by Fred Beard to Approve the Agenda. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Gary Perkowski. The Motion passed.

**0:00:29                    4.     Consider approval the Water Conservation Plan as presented by Mike Hernandez and Luis Camero**

Mike Hernandez explained that the Plan sets a path forward. He said it is a 5-year plan. He said the plan supports the need for a dedicated Water Patrol Staff person or some type of a Loss Prevention position. The goal is to improve the system by improving savings and use. The Water Audit shows the City has made improvements in Water Conservation. Luis Camero added that the Plan is required for Federal Funding. Mr. McCutcheon said in reviewing the data; the discrepancy regarding the amount of water pumped versus the water sold was resolved. He said the City is close to achieving a balance. The City has not over-billed and as more information is available, the Board will be updated. Mike Hernandez said he is interested in looking at all the services the Neptune Meter Company offers. He said he has the support of the Finance Department to review the service. Mr. McCutcheon said the City is not willing to take on any additional debt at this time so it is uncertain if the Neptune system can be utilized.

Craig Stephens said he feels the report should have reflected the fact that Water sells to the Oil Field were stopped. He said that was a big conservation measure. Mr. Stephens said some feel that a rate increase is necessary. Mr. McCutcheon said he did not expect to have Council's support on an increase at this time. Mike Hernandez suggested a change in the rate structure.

Larry Henderson asked if the Building Code supported Water Conservation. Ms. Riordan said the Code does implements water saving measures.

The motion was made by Russell Hardy and seconded by Larry Henderson to approve the Water Conservation Plan with the additional language regarding the mitigation effort of raising rates on Industrial Users in order to save fresh water for Residential and Commercial purposes where potable water is the only option. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Gary Perkowski. The Motion passed.

**0:33:42                    5.     Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on November 17, 2016**

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 November 17, 2016. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Gary Perkowski. The Motion passed.

**0:33:42                    6.     Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on December 15, 2016**

The motion was made by Fred Beard and seconded by Russell Hardy to Approve the Minutes of the Regular Board of Water and Sewer Commissioners Meeting held on November 17, 2016. The Vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Gary Perkowski. The Motion passed.

**0:034:13                    7.     Water & Sewer Department Monthly Reports presented by Mike Hernandez**

Mr. Hernandez reported the pumping is down in Sheep Draw and Septage deliveries are up at the Waste Water Treatment Plant. Mr. Hernandez also briefly discussed the Sewer issues in new apartment complex on Cherry Lane and mentioned the delay in the development behind C-Hill.

**0:33:38**

**8. Utilities Department Project Updates presented by Mike**

**Hernandez**

Mike Hernandez reported White Cloud Construction got the bid for Well 6. He said the Effluent project is almost done and Smithco was the successful bidder for the Lift Station. He said he is working to obtain funding for the Effluent Project that runs under the river. He said Molzen-Corbin is working on the design for Double Eagle, Phase III.

Mr. McCutcheon stated that the GRT and Water Sewer funds are both down. He said because the Double Eagle is currently slow; he is working with City Directors to move employees into town. Mr. McCutcheon said he has been approached by people interested in purchasing the North West Line but he said that would have to have some great consideration before doing that. He said when the oilfield is up, and the line is used more frequently, it requires a lot of maintenance. He said a lease option could be considered but he is unsure if the City would want to consider that option.

Larry Henderson asked if WIPP will increase their water use now that they are open. Mike Hernandez said they do not use a lot of water but if they drill a new well shaft, it could increase. Mr. Henderson asked if there were any more discussions about the handling of the water cut-offs on accounts with multiple name changes. Wendy Hammett said the Finance Department is currently working on a new procedure.

**0:52:16**

**9. Financial Reports presented by Wendy Hammett**


Ms. Hammett said the year-to-date revenues are favorable of which a large part of that is due to the grant income in October. She said that the Double Eagle will bring it down. She said the forecast cash flow is favorable. She added that all Departments are doing their part to use their resources wisely. Craig Stephens said the maintenance issues with Double Eagle were predicted. He said we need to get our projects done and then do maintenance. He said he wants to move on the Conservation Plan and establish priorities. He said it is an exciting time of growth in the City but we have to manage the water as best we can so that we can provide water to our citizens for years to come.

Larry Henderson questioned if the City expects Otis to join the City system. Mr. McCutcheon said it has been discussed in the past but at this time he does not anticipate Otis will be interested.

**1:00:16**

**10. Adjourn**

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

  
Chairman