

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON JULY 21, 2016, 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>Gary Perkowski Larry Henderson Fred Beard Russell Hardy</b>	<b>Member Member (Telephonically) Member Member</b>
<b>VOTING MEMBERS ABSENT:</b>	<b>Craig Stephens</b>	<b>Chairman</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>Stephanie Shumsky Mike Hernandez Annette Barrick LaVelta Jenkins Ron Myers Jamey Schwiger Wes Nichols Richard Aguilar Bill Travelstead Scott Goodale</b>	<b>Deputy City Administrator Deputy Director Public Works City Clerk Deputy City Treasurer Double Eagle Superintendent Water Dept. Superintendent Collections Superintendent Environmental Services Applicant Applicant</b>

**0:00:00     1.     Call to Order**  
Gary Perkowski called the meeting to order.

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

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

**0:00:00     4.     Review and Consider Request for a new service for City Water Outside of the City Limits located at 10 Crossroads Lane, Applicant: Bruno and Tanja Baca**  
Gary Perkowski requested the Applicant come forward to explain their request. There was no one present for the Applicant. Mr. Perkowski suggested the item be tabled until the requestors could be present for discussion. Mike Hernandez said he will inform Ms. Baca.

The motion was made by Larry Henderson and seconded by Fred Beard to table the item until the owner or applicant was in attendance. The Vote was as follows, Yes: Gary Perkowski, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Craig Stephens. The Motion passed.

**0:00:15 5. Review and Consider Request for City Water Service Outside the City Limits located at Sandpoint Landfill; applicant: Bill Travelstead**

Mike Hernandez explained that there is an existing meter and it is located near the Sandpoint Landfill. He said the Department recommends approval. He said since it is an existing meter and the only change will be the customer's name. Mr. McCutcheon asked if it was plumbed over the top of the tank. Mr. Travelstead said if it is not, he will have it done this week. LaVelta Jenkins stated that it is not a Double Eagle account and it will be changed to a cycle two.

The motion was made by Russell Hardy and seconded by Fred Beard to approve the request for Water Service Outside the City Limits located at the Sandpoint Landfill. The Vote was as follows, Yes: Gary Perkowski, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Craig Stephens. The Motion passed.

**0:03:11 6. Review and Consider Request for City Water Service Outside the City Limits located at 1810 Ligon Road; applicants: Steve & Clover Wagner and Scott Goodale**

Scott Goodale was present and representing the applicants in the matter. He explained that there are two taps on Ligon Road. One of the two taps is Steve Wagner's and the other is for the undeveloped land. The plan is to develop the area into residential lots and build homes. Russell Hardy questioned why the property would not be annexed. Mr. Goodale stated it was because of the property covenants. Eileen Riordan said the City Codes does not cover private covenants. Mr. Goodale said it would affect fence height, animals, and etc., so the potential buyers did not want to be annexed in. Mr. McCutcheon told Mr. Goodale that the City has an Infrastructure Reimbursement Program for development in the City limits. Mr. Goodale said the current plan is for a gated community. Stephanie Shumsky suggested a Community Unit Plan Development. Mr. Goodale said they are not opposed to being Annexed but the restrictions that may go with an annexation. Mr. Perkowski told Mr. Goodale that the Water and Sewer Board does not approve of Sewer Service Outside the City Limits. He explained that there is not a policy against it but it has historically been denied by the Board. Larry Henderson said he could not support Water or Sewer Service outside the City Limits. There was discussion regarding the following:

- Retention Ponds
- Subdivision Requirements
- Variances
- Taxes
- Road Paving
- Restrictive Uses

Stephanie Shumsky suggested that the Developers make an appointment with the City Planner and discuss options for the subdivision. Mr. McCutcheon stated that an Annexation would clean up the entire proposal.

Mr. Goodale said he will make an appointment to talk with the City Planner, Jeff Patterson.

The motion was made by Larry Henderson and seconded by Fred Beard to table item numbers 6 & 7 for Water and Sewer Service Outside the City Limits located at the 1810 Ligon Road until the Developers meet with the City Planner. The Vote was as follows, Yes: Gary Perkowski, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Craig Stephens. The Motion passed.

**0:20:30 8. Review Water Rate Comparison prepared by Lee Wilson and Associates**

Mr. Perkowski explained that the City of Carlsbad Water Rates are lower than Hobbs, Roswell and Artesia. Mike Hernandez said the City of Carlsbad's per capita use is higher than most. Water Conservation Measures are recommended. The Comparison suggests that the City is charging less per 1,000 gallons of water than it cost to produce that amount. Mr. Hernandez explained that it is a progressive chart. The customer is charged more per gallon if the use is 50,000 gallons or more. Mr. Hernandez said that Lee Wilson Associates will provide additional information before asking the Board to make decisions. Steve McCutcheon said there has been significant income from Double Eagle. Now that the Oil and Gas Industry has slowed down, it may be necessary to raise rates. He said changes have been made to the Solid Waste Fund and this Fund is not as strong as it needs to be to support the growth. Mr. Perkowski said he wants more information to take to the City Council, to determine whether to move forward. If the Council does not support it, there is no reason to go further with this project. Larry Henderson said he thinks the City should be more forward with Water Conservation Measures. He suggested rebates to developers and other incentives for conservation. Mr. McCutcheon said he agrees, the City will be looking at those options. Eileen Riordan said she thinks Water Conservation Measures have been made by Commercial developers. Larry Henderson suggested financial incentives. Fred Beard suggested getting some feed-back from the Council to know if they are willing to support an increase in rates. Gary Perkowski said this is a very difficult matter that should be carefully considered.

**0:34:36 9. Approval of Minutes of the Board of Water and Sewer Commissioners Regular Meeting held June 16, 2016.**

The motion was made by Russell Hardy and seconded by Larry Henderson to approve the Minutes of the Board of Water and Sewer Commissioners Regular Meeting held June 16, 2016. The Vote was as follows, Yes: Gary Perkowski, Larry Henderson, Russell Hardy and Fred Beard, No: None, Absent: Craig Stephens. The Motion passed.

**0:34:41 10. Water & Sewer Department Monthly Reports presented by Mike Hernandez**

Larry Henderson asked about Wade Construction's addition to the Water Department in the amount of \$149,000. Mr. McCutcheon said it is an addition to the Water Department. The project includes Meeting rooms and storage for equipment. This is only a draw from the \$800,000 project. The contractors also built the Water Parks and focused their efforts on its completion. They are now moving forward with the Water Department addition project. Mr. Hernandez reported the Number 8 well pump may need work. Jamey Schwiger added that he does not want a catastrophic failure. Mike Hernandez said that the rehabilitation will take place in the winter because the demand is less during those months. Fred Beard asked about getting a generator. Mike Hernandez said it is not in the budget but they will remember to budget for it when funds are available.

**0:42:27 11. Financial Reports by LaVelta Jenkins**

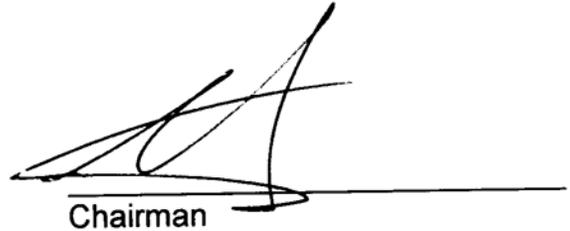
LaVelta Jenkins reported that the Revenue is over budget to date. The Double Eagle is pushing the revenues down. She said Expenses are still in the black. Mr. McCutcheon said the final budget allowed funding to coat Reservoir #2.

Mr. McCutcheon said the Finance Department is working on the Audit and the reports are coming in to the Boards regularly. Ms. Jenkins explained there were some complications with the online bill pay but it is moving forward. Mike Hernandez reported that there were more cut-offs this last month. Mr. McCutcheon said the Department is collecting the late fees. He said he appreciates the work being done in the Department.

Mr. McCutcheon congratulated Mike Hernandez for his appointment as the City of Carlsbad Director of Utilities.

**0:52:10 12. Adjourn**

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



Chairman