

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON OCTOBER 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>Russell Hardy Gary Perkowski Larry Henderson</b>	<b>Member Member Member</b>
<b>VOTING MEMBERS ABSENT:</b>	<b>Craig Stephens Fred Beard</b>	<b>Chairman 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>Mike Hernandez Annette Barrick Wendy Hammett Ron Myers Wes Nichols Joe Harvey Richard Aguilar Scott Goodale</b>	<b>Deputy City Administrator City Clerk Finance Director/City Treasurer Double Eagle Superintendent Collections Superintendent WW Superintendent Environmental Superintendent Citizen</b>

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

**0:00:02      1.      Call to Order**

Gary Perkowski called the meeting to order.

**0:00:02      2.      Roll Call and Determination of Quorum**

Gary Perkowski called Roll and it was determined that there was a quorum of voting members.

**0:00:11      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, and Russell Hardy No: None, Absent: Craig Stephens and Fred Beard. The Motion passed.

**0:00:29      4.      Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on September 21, 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 September 21, 2017. The Vote was as follows, Yes: Gary Perkowski, Larry Henderson, and Russell Hardy No: None, Absent: Craig Stephens and Fred Beard. The Motion passed.

**0:00:41 5. Consider request from Bard Nesser regarding a Billing Adjustment**

Mr. Nesser explained that his June billing was extremely high. He said the City came and inspected the meter and the City Staff reported to there was no water running through the meter. The next bill came in high again. He called the City and a new meter was installed. Then his August and September bills were back down to the average. The meter didn't show to be faulty but there was no explanation of why the bills were so high. He said he had Crouch Plumbing look at it and they did not find anything. Ron Myers explained the old meter was tested three times. It was an older meter but seemed to be working properly. Gary Perkowski asked if the Staff had an explanation. Mr. Myers gave an example; saying that a running toilet for a month can cause an additional 65,000 gallons. Mr. Nesser explained that there hadn't been anyone in the second structure on his property for months. Mr. Myers said he really doesn't have an explanation. Mr. Hardy said the previous year readings show the same two months were high. He questioned if heat could be a cause. Mr. McCutcheon said he has seen anomalies with meters on occasions.

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

**0:08:13 6. Water and Sewer Department Monthly Reports presented by Ron Myers**

**7. Utilities Department Project Updates presented by Ron Myers**

Gary Perkowski said items 6 and 7 will be heard together. Ron Myers said the Waste Water Treatment Plant continues reporting very well. Gary Perkowski said the City pumped less water from the Municipal System and imported a little more water from the Double Eagle. He said the residential sales are consistent and commercial sales are down. He added that the Industrial sales are up. He said that in-service meters are down by about 150. Mr. McCutcheon said there could be many reasons contributing to the lower in-service meters. He suggested that one reason could be the number of cut-offs.

Russell Hardy asked for an explanation of the work done at Halagueno and Church Streets. Ron Myers explained that a water line broke. Mr. McCutcheon said there was a pressure spike and it affected that portion of town.

**0:13:48 8. Financial Reports presented by Wendy Hammett**

Wendy Hammett reported on the Revenues and Expenditures. She said the report is favorable. She said Revenues look good and if the trend continues we could end up \$1,000,000 favorable. Mr. McCutcheon said in the future, there will be City costs for growth and development, which could impact the final numbers.

Gary Perkowski asked about the status of Otis Water. Mr. McCutcheon said the City is not yet involved. He said staff has done some legal research to begin preparing for questions regarding the matter. Otis has some Federal debt. The Otis system is a fairly small operation. He said we want to be prepared if we are approached. He said the City would have to take a careful look.

**0:25:39 9. Discussion regarding LaHuerta Water Service Area**

Gary Perkowski said the LaHuerta Water Service Area has been discussed by this Board a number of times. He asked if Ken Thurston's request still stands. Mr. McCutcheon said he has not heard

anything from the Planning Department. He said he thinks Mr. Thurston would have to annex the property to be a viable plan. Russell Hardy confirmed that there are no requests at this time.

**0:31:45      10.      Discussion and recommendation regarding Septage Rates**

Russell Hardy asked for clarification between the Midland and Affordable Midland rates. Joe Hardy explained that they are two separate entities with different rates. He said Artesia has a unique rate schedule and Roswell did not respond to our inquiries. Russell Hardy suggested the City compete with Hobbs and Pecos because of the oil field services in those areas. Joe Harvey explained that Pecos is a private company.

Larry Henderson asked about the status of the Effluent Re-use project. Steve McCutcheon said the Water Trust Board Application is pending for funding for the project. The WTB has said there are no funds but recently announced that we could apply again.

The motion was made by Russell Hardy to recommend increasing the septage rate to 0.12 per gallon. Joe Harvey suggested considering accounts coming in from Hobbs because they are 60 to 70 percent of our revenue. Gary Perkowski suggested staff obtain additional information and bring it back to the board at the next meeting. Mr. McCutcheon said we can pull the detail to see who is using our services.

0:37:10      Russell Hardy withdrew the motion.

0:38:27      Scott Goodale said LLC pumps residential septic. He said the homeowners are already complaining about the rates. He suggested different rates for residential and industrial. Mr. McCutcheon said that matter had been reviewed in the past, but it was resolved that the cost to process it; is the same. Joe Harvey explained that most of the oil field septage is grey water and residential is more concentrated and more difficult to process. Mr. Harvey said the Board agreed to allow accepting grease as a test and that matter should be considered further.

Mr. McCutcheon said the Staff will get more information together and bring it back to the Board for a recommendation.

Ron Myers announced that Wes Nichols is now the Deputy Director of Utilities; his main duties are going to be Water, Double Eagle and Water Collections as well as helping in other areas. Mr. McCutcheon said this change will bring a savings of about \$108,000 per year. He said we have promoted a mid-level manager to report to Wes. Wes was already taking care of two of the areas. He said Ron and Mike worked carefully to develop a plan that would be very good management and a cost savings to the City.

**0:43:40      11.      Adjourn**

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

/s/ Larry Henderson  
Chairman