

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON MAY 16, 2013, AT 8:30 A.M. IN THE PLANNING ROOM, #204, AT CITY HALL, 101 N. HALAGUENO STREET, CARLSBAD, NM**

<b>VOTING MEMBERS PRESENT:</b>	<b>Craig Stephens Steve Massey Gary Perkowski Larry Sells</b>	<b>Chairman Member Member Member</b>
<b>VOTING MEMBERS ABSENT:</b>	<b>Larry Henderson</b>	<b>Member</b>
<b>EX-OFFICIO MEMBERS PRESENT:</b>	<b>Jon R. Tully</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>BOARD SECRETARY PRESENT:</b>	<b>Jon R. Tully</b>	<b>Ex-Officio/City Administrator/Secretary</b>
<b>OTHER PRESENT:</b>	<b>Steve McCutcheon Monica Harris Luis Camero Eileen Riordan Richard Aguilar Art Sena Annette Barrick Edward T. Rodriquez Valerie Branson Joe Harvey Danny Masters Debbi Masters John Brazeal Pete Balleau Casey Cook</b>	<b>Deputy City Administrator Finance Director Public Works Director City Attorney Environment Officer Waste Water Superintendent city Clerk/Asst. to City Administrator SB Oilfield SB Oilfield Water Superintendent Rio Tanks Fas-line Rio Tanks Fas-line Applicant Balleau Groundwater Balleau Groundwater</b>

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

**0:00:03                    1. Call to Order**  
Craig Stephens called the meeting to order.

**0:00:03                    2. Roll Call and Determination of Quorum**

Craig Stephens called Roll and a Quorum was confirmed. Those present were: Steve Massey, Gary Perkowski, Craig Stephens, and Larry Sells. Absent: Larry Henderson.

**0:01:03                    3.      Approval of Agenda**

The motion was made by Gary Perkowski and seconded by Larry Sells to Amend the Agenda of the May 16, 2013, Meeting of the Board of Water and Sewer Commissioners to move items 10, 11, and 12 on the existing Agenda to be heard after item 7. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed

**0:01:05                    4.      Approval of Minutes of Regular Meeting of the Board of Water and Sewer Commissioners meeting held on April 18, 2013**

The motion was made by Steve Massey and seconded by Larry Sells to approve the Minutes of the Regular (*not a Special Meeting as listed on the May 16, 2013 Agenda*) Board of Water and Sewer Commissioners Meeting held on April 18, 2013. The vote was as follows: Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:01:26                    5.      Check Register and Bills**

Mr. Tully gave an update of the Tatum Wells at Mr. Massey's request. Mr. Tully said the wells have been flow tested, the aquifer has been tested and the capacity of the wells and the production has been tested.

The motion was made by Steve Massey and seconded by Larry Sells to approve the Check Register and Bills. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:02:30                    6.      Operating Reports**

- a. **Statistical Reports**
- b. **Water and Sewer Monthly Reports**

The motion was made by Gary Perkowski and seconded by Larry Sells to approve the Operating Reports. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:03:30                    7.      Consider approval of request from John Brazeal Jr., for Water Service Outside the City Limits, located at 1912 Connie Road**

Mr. Brazeal said he is trying to get a water meter for his five acres outside of town. He said he plans to build a house. He explained that he and two neighbors went together to dig the lines and split the cost in thirds to accommodate the three properties. He said there will not be any conflict with the other resident's lines. Luis Camero said Mr. Brazeal is only serving one acre of the five acres. The line is in place and there are several services on Connie Road, the line is there. Mr. Brazeal said he is aware of the expenses.

The motion was made by Steve Massey and seconded by Larry Sells to approve requested Water Service. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:12:24 10. Discuss and Consider approval of Policy regarding the use of Booster Pumps in Double Eagle**

Steve Massey said previously the Board considered eliminating the use of Booster Pumps entirely. He said based on information he heard, he does not feel that eliminating the use of the Booster Pumps is needed but he does think there is a need for a Policy for effective use of Booster Pumps that would not have a negative effect on our system. Danny Master said in the past, it was discussed to allow the Booster Pumps but not at the source. Luis Camero said Booster Pumps should be used only when required. Larry Sells asked if the Policy should state a specific minimal distance. Steve McCutcheon said the Policy should be re-worked to include language that Boosters are only allowed if approved by Department Staff. Mr. Tully said a draft concept can easily be created allowing Booster Pumps; provided that they do not create a negative or adverse impact. Steve Massey said he thinks the other issue is the Back Flow Preventers. He said the Board should consider Back Flow Preventers as part of the City System and pass the costs on to the customer. Luis Camero said the City is adding Back Flow Preventers to our side. He said they have to be tested regularly by a certified person as per Regulations. Mr. Massey asked if we currently test. Mr. Camero said the customers are tested. Mr. Massey said we need to look at what is most advantageous to the City. Mr. Camero said City Staff should review the options.

The motion was made by Steve Massey and seconded by Larry Sells to re-work the Policy that Boosters be allowed provided the City Department approves; in Policy and Principle. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:22:40 11. Discuss and Consider Double Eagle Industrial Water Users Deposit Requirements as described in Resolution No. 2012-67**

Jon Tully explained that items in 11 and 12 have already been previously approved by the Board and City Council. Any recommendation to change the Resolution will be required to go back to Council. He said it is the Administrative recommendation that they not change. He said the Deposit is intended to provide security to the City. The rates were intended to provide an equitable return to the City.

The motion was made by Steve Massey and seconded by Larry Sells to reconsider the Water Users Deposit requirements in Resolution No. 2012-67.

Steve Massey said the old rate was inadequate but he realizes that the water rate is about 21 times the actual cost to produce the water. He said he did not intend to make it a hardship on any businesses that use our water. He suggested the deposit be tied back to the actual cost of production. Jon Tully said the cost of production has nothing to do with it; it is cost of a commodity and the going rate. He said the rates established are to cover all City costs, additional debt service, and protection of Double Eagle. He said the Board must protect the Financial Integrity of the System. He said it comes down to: do you want to protect the City or accommodate the Customer. The City has no way to recover, short of a lawsuit. Mr. Massey said he intends to do both by avoiding Anti-Donation but not hamper the business. Debbie Masters said the deterrent, if a Customer doesn't pay, that Customer won't be approved for future accounts.

The motion was made by Steve Massey to reconsider the City's cost of production versus the billing costs. The Motion died for lack of a second.

Gary Perkowski said he doesn't think cost of production is a reason to change the deposit requirements. He said there may be other ways to work with the Industry. Jon Tully said Monica Harris works with the Letters of Credit on multiple accounts. Gary Perkowski said he supports the efforts Monica is making with the businesses. Steve Massesy said he was trying to come up a system that would be equitable across the board and still protect the City and not hamper the industry that is helping to pay for the expansion and upgrade of the Double Eagle. Jon Tully said the Administrative position is that is exactly what we have in place and what has been in place for a very long time. Larry Sells said he thinks the Letter of Credit is the best way to go since the City is allowing the use for multiple accounts. Mr. Perkowski said he agrees with Mr. Massey that we should take care of the Customers.

**0:36:20 12. Discuss and Consider the Double Eagle Rates**

The motion was made by Steve Massey to reconsider the Double Eagle Rates. The Motion died for lack of a second.

Debbie Masters asked for direction on the Double Eagle Rates. Larry Sells said that when the City Council reviewed the Water Boards previous recommendation, the Council wanted the rates to be higher. He said that is the reason he would not second the motion. If it is taken back to the Council, they could raise the rates even more. He said he feels it is a risk to the Customers. Mr. Tully explained the role of the Advisory Board.

**0:42:20 8. Consider approval of Effluent Reuse Policy**

Mr. Tully explained that the Board would be considering a policy to affirm a few things with regards to treated effluent. At the last Council meeting the C-76 Pumping Order was approved. That was designed to defer our return flow to the river. With Double Eagle there is no return flow requirements so the more DE Water we bring in, the less we pump from Sheep Draw, the less legally mandated return flow we are going to have from C-76. He said it is appropriate to consider a Policy about the Treated Effluent. He said it should be very clear that this is an asset of the Joint Water and Sewer Fund which the Water Board oversees. As an asset, it should not be delivered to anyone, including the City at no cost. He said there has not been an official rate set for the use on the parks. Larry Sells said he wants to see the big park at the beach irrigated with Effluent. Mr. Tully said that would be a good use for the Effluent.

The motion was made by Larry Sells and seconded by Steve Massey to approve the recommendation of the Effluent Reuse Policy. The vote was as follows Yes- Perkowski, Stephens, Massey, and Sells; No-None; Absent- Henderson. The Motion passed.

**0:55:08** Gary Perkowski leaves the meeting.

**0:55:28 9. Discussion regarding Domestic Well Ordinance**

Mr. Tully explained that the Ordinance is in draft only. He said years ago, it was discussed by the Board. State Law allows Municipalities to have some say in the permitting of new Domestic Wells within the City Limits. He said the State Statue says we can enact an Ordinance that would establish a permitting process whereby an applicant would obtain a permit from the State Engineer. The City would have to approve the permit. He said the proliferation of Domestic Wells has an impact on the basin waters. The City has to protect its revenue base and keep the Municipal system alive. He said he hopes to identify how Domestic Wells should be shut down and we need to look at a negative easement in perpetuity, to keep other water sources out of our system.

**1:08:57** Mr. Tully introduced Pete Balleau and Casey Cook. He said Mr. Balleau has worked for the City for many years. He has done work on the Tatum Wells recently. Mr. Tully said Mr. Balleau is one of the best Hydrologists in the Country. He said the City has a lot of confidence in Mr. Balleau. Mr. Balleau and Mr. Cook gave a brief explanation of the hydrology of the area.

**1:24:35 13. Adjourn (9:53:51 AM)**

The motion was made by Steve Massey and seconded by Larry Sells to Adjourn. The vote was as follows: Yes-Stephens, Massey, and Sells; No-None; Absent- Henderson and Perkowski. The Motion passed.

/s/ Craig Stephens

Chairman