

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON FEBRUARY 15, 2018, AT 8:30 A.M., IN THE MEETING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM**

<b>VOTING MEMBERS PRESENT:</b>	<b>Craig Stephens Russell Hardy Larry Henderson 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>EX-OFFICIO MEMBERS ABSENT:</b>	<b>Steve McCutcheon Mayor Dale Janway</b>	<b>Ex-Officio/City Administrator/ Secretary Ex-Officio/Member</b>
<b>OTHERS PRESENT:</b>	<b>Mike Hernandez Wendy Hammett Eileen Riordan Ron Myers Wes Nichols Joe Harvey Richard Aguilar Jeff Patterson Olga Ramirez Scotty Goodale</b>	<b>Deputy City Administrator Finance Director/City Treasurer City Attorney Utilities Director Utilities Deputy Director WW Superintendent Environmental Superintendent Planning Director Assistant to City Administrator Citizen</b>

**1. Call to Order**

Craig Stephens called the meeting to order.

**2. Roll Call and Determination of Quorum**

Craig Stephens called Roll and it was determined that there was a quorum of voting members.

**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.

**4. Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on January 18, 2018**

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 January 18, 2018. The vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy and Fred Beard No: None, Absent: Gary Perkowski. The Motion passed.

**5. Consider Approval of Request for Water Lease from Mosaic to MSWD**

Scotty Goodale said he is trying to keep the City updated on the leases. He said they terminated a lease off of one set of wells and now they are trying to release it under the same lease for the duration for a new set of wells. He said they are going from Loving to Willow Lake. He said it's just a swap.

The Motion was made by Russell Hardy and seconded by Larry Henderson to approve the Water Lease from Mosaic to MSWD. The vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy, and Fred Beard No: None, Absent: Gary Perkowski. The Motion passed.

**6. Water and Sewer Department Monthly Reports Presented by Ron Myers**

Ron Myers reported BOD removal was 99.14% in January. The TSS removal was at 99.03% removal. Sheep Draw pumped a little more than the previous month. Sheep Draw imported a little less than Double Eagle. Ron reported 12,315 meters are in service up from last month at 12,288.

Ron Myers reported Double Eagle pumped quite a bit more in January than in December. We provided 430,000 gallons of water to the WIPP Site, which is a little higher than average. Ron reported we sold more to Industrial customers. Ron stated there were a few more leaks than normal last month.

Ron Myers reported Waste Water Plant is reporting very well. He reported Septage is up. The WWTP sold 14.39 acres to the Rockhouse Ranch in January. Larry Henderson asked if that was their official name. Eileen Riordan stated it is called Gregory Rockhouse Ranch a subsidiary to Select Energy. Wendy Hammett reported that the agreement is up in March and it's a guarantee of \$849,000 regardless of where they are at in their usage or consummation. Joe Harvey stated they might have a leak out there; they try to read the meter every day. Joe Harvey reported their usage is way up but Stallion is still the biggest user.

Ron Myers reported on Collections there are 10,241 tanks in service which is up from the previous month. There was 3620 feet of Sewer lines cleaned this month.

Larry Henderson asked about the status of Double Eagle Phase III. Ron Myers said that it's still in the design stage. Larry asked if the line was constructed for the sight. Ron Myers said no, that's part of the design stage. Ron Myers said there are lines but part of the project is to add lines. Ron said it's about a four mile line.

Craig Stephens said it shows the meters are up by around 27 meters and collections are also up.

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

Ron Myers reported Well #6 is completed and he is waiting on approval from NMED and Double Eagle Phase III is still in the design stage.

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

Wendy Hammett reported on the Revenues and Expenditures. She reported the July – December Revenues is favorable to the budget. City Water Sales and Sewer Fees are favorable to the budget this does not include Double Eagle and La Huerta. The Effluent is unfavorable to the budget, whereas Double Eagle is unfavorable. Revenues are favorable to the budget. The July – December Labor is favorable to the budget. Thanks to the Water & Sewer staff implementing the realignment of staff and controlling overtime. The Operating Costs is favorable to the budget. The July to December

Project Spending is favorable to the budget. Wendy Hammett reported once we move forward with the Double Eagle project that variance will decrease.

## **9. Consider Approval of a Resolution to Deem Certain Utility Accounts**

### **Uncollectable**

Wendy Hammett reported that for the past 18 years the city has carried over 1700 accounts as uncollectable. The count is actually about less than 1%. She reported the city has always included a 15% allowance for uncollectable accounts, which is also less than 1%. Russell Hardy asked once this is all marked off will you go back and see if that's really necessary to hold that much back. Wendy Hammett responded yes.

Craig Stephens asked why there are uncollectable amounts if we put a lien on the property. Eileen Riordan responded the city is usually at the last of the list. Basically if there was a previous lien on the property those are usually collected first.

Wendy Hammett clarified to the board that even though this is taken off the balance sheets it doesn't mean we can't continue to try to collect. It just clears off the balance sheets.

The motion was made by Russell Hardy and seconded by Fred Beard to approve the Resolution to Deem Certain Utility Accounts Uncollectable. The vote was as follows, Yes: Craig Stephens, Larry Henderson, Russell Hardy, and Fred Beard No: None, Absent: Gary Perkowski. The Motion passed.

## **10. Discuss and Review Water Rights**

Mike Hernandez handed out the Water Rights and stated these are in the Water Board Handbook also. He said there are three handouts one is the Sheep Draw Water Rights Permit summary, Tatum Wells Water Rights Permit summary and Double Eagle Water Rights Permit summary.

Russell Hardy said it's his understanding that nothing has been pumped out of the Tatum Wells. Mike Hernandez said that is correct. Ron Myers said they have three wells that have been tested and they are production wells but they've only been tested and they are not ready yet.

Mike Hernandez said they are optimistic once they are in production it will bring in some revenue.

## **11. Discussion of Surrounding Communities Water Rates**

Craig Stephens said he thinks the board needs some time to look these over. He asked if Ron Myers could compile a data sheet showing the comparisons side by side. Mike Hernandez said they can revisit this at the next board meeting.

Larry Henderson asked initially what the city staff had any thoughts on the rates. Mike Hernandez said it looks like are rates are low.

Russell Hardy asked if Ron Myers could get the data on monthly water usage for a household.

Craig Stephens said we have rates can we also get costs from the surrounding areas. Ron Myers stated we also need to look at the costs of repairs as well.

Fred Bread asked when the last time was that rates were increased. Craig Stephens said it's been a long time, rates do go up but it's usually just due to inflation.

Larry Henderson said we need to look at protecting the water. There are several communities that are running out of water. We need to look at water conservation efforts.

Ron Myers mentioned that we pump as much water in January and February as we do in July and August, that's an indication that it's outdoor watering. He said one option would be to look at different rates for the summer and winter.

**12. Discuss and Consider Approval of Septage Rates**

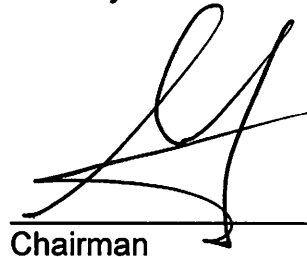
Joe Harvey said they ran COD testing, but were unable to get some data the septage it's too thick to test. It requires special handling which is very time consuming. He recommends keeping the rates the same. Stallion is the biggest customer if we lose them we'll lose around 60 to 90% of our income that comes from that area. We might increase the rates for grease and take a look at port-a-pottie rates.

Russell Hardy asked if the board could look at these rates when they look at water rates.

Craig Stephens agreed they would look at these rates at the next board meeting along with the Water Rates.

**13. Adjourn**

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



Chairman