

MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS HELD ON MAY 17, 2018, AT 8:30 A.M., IN THE MEETING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM

VOTING MEMBERS PRESENT:	Craig Stephens Russell Hardy Fred Beard	Chairman Member Member
VOTING MEMBERS ABSENT:	Gary Perkowski Larry Henderson	Member Member
EX-OFFICIO MEMBERS PRESENT:	Michael A. Hernandez	Ex-Officio/City Administrator/ Secretary
EX-OFFICIO MEMBERS ABSENT:	Mayor Dale Janway	Ex-Officio/Member
OTHERS PRESENT:	Steve McCutcheon Wendy Hammett Eileen Riordan Wes Nichols Joe Harvey Richard Aguilar Olga Ramirez Robert Baldrige Donna Davis Scott Goodale Edna Washburn Joe Lahore Jason Burns	Consultant Finance Director/City Treasurer City Attorney Utilities Deputy Director WW Superintendent Environmental Superintendent Assistant to City Administrator Citizen Citizen Citizen Citizen Citizen Citizen

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, Fred Beard, Russell Hardy No: None Absent: Larry Henderson, Gary Perkowski. The Motion Passed

4. Approval of Minutes of Regular Board of Water and Sewer Commission Meeting held on March 15, 2018

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 March 15, 2018. The vote was

as follows, Yes: Craig Stephens, Fred Beard, Russell Hardy No: None Absent: Larry Henderson, Gary Perkowski. The Motion passed.

5. Utilities Department Monthly Reports and Project Updates Presented by Ron

Myers

Wes Nichols reported they pumped a little less than the same time from last year. Well 6 is completed waiting for approval from the State. Russell Hardy asked if any tests have been run to see what it was pumping. Wes Nichols said it pumps what two of our pumps will pump right now. Mike Hernandez said that's about 3000 gallons. He reported Double Eagle Phase III will take about a year to a year and a half to complete.

Joe Harvey reported a lot less water is going into the River and a lot more water is going for reuse. We're still selling to the Gregory's.

6. Financial Reports for February and March 2018 presented by Wendy Hammett

Wendy Hammett reported on the Revenues and Expenditures. Wendy reported the July – March Revenues are favorable to the budget. She gave the board a breakdown reporting City Water is on target, Sewer services are favorable, the effluent contract as of March is unfavorable, Double Eagle is unfavorable and miscellaneous revenues are on target. The Labor is favorable to the budget. The operating costs are favorable to the budget. Capital is favorable to the budget.

7. Analysis of Water and Sewer Rates

Wendy Hammett said the report was a summary of residential and commercial, comparing Farmington, Roswell, Las Cruces and Hobbs to Carlsbad. She explained to the board the Carlsbad rates are significantly lower as well as Hobbs. She stated recently she was in Hobbs for training and Hobbs has indicated they were looking at having a rate increase. Carlsbad rates are 45% less than the average of these communities which are similar in size to Carlsbad.

Joe Harvey mentioned that Farmington has their own treatment Plant. Steve McCutcheon stated they also have it contracted out so they don't have employees.

Wendy Hammett stated that Artesia is also looking at raising their rates. Their rates are pretty low.

Wendy Hammett reported that fund 36 is operating at a deficit; it's sustainable until next year. She reminded the board that this was an enterprise fund, so even though the Gross Receipts Tax is up this fund sustains itself.

Craig Stephens asked if Wendy could come up with a recommendation for a rate increase. Wendy said we need to look at options of increasing the revenue to this fund.

8. Discussion on OSE Application filed by Intrepid Potash

Robert Baldrige, from Intrepid Potash, came to speak to the board about Intrepid Water Rights. He said he wanted to attend to answer any questions the board may have. He said Intrepid supports the board in taking an interest in protecting the City of Carlsbad's Water rights. Robert stated that they have a lease agreement with McDonalds' that they are amending, they are changing the point of diversion. He said what they added was the original point of diversion for the water rights rather than a change of point of diversion. So they just added their license point of diversion to the lease agreement.

Craig Stephens said the board appreciates the time he took to present to the board and all the work they did on preparing the packet.

Steve McCutcheon spoke in support of the City, and stated the city has contacted their Attorney and the protest is merely a "place holder" so that they could look at the issue. Eileen Riordan said the city only has a certain amount of time to apply for a protest after the last notification. So to give the city ample time to review the application, the city applied to protest. This is no different than what the city has done in the past. It's just a process; it keeps the city's options open.

Steve McCutcheon asked where the Henry McDonald wells were located. Robert Baldrige said they are about 10 miles south of Carlsbad. Eileen Riordan asked if the McDonalds Wells were a part of this application. Robert Baldrige said they were in the original not the amended one.

Craig Stephens asked if we can't deliver our water to Texas, will this affect our treated effluent, which we have on contract to sell. Eileen Riordan said we have a mandatory minimum we are required to return. Craig said he has spoken to Robert and Intrepid does want to be a good partner and a good citizen and they would certainly be in negotiations to see how Intrepid would be able to assist.

9. Discussion on D.Davis Water Meters

Donna Davis explained to the board, she is trying to get a water meter installed on her property. Originally she was trying to go through Pepper Tree over to Mission and under the irrigation ditch then over to her land. In order to do that she would have to go through the CID, the county, the city and the road. She asked if she could get water from Grassburr when the city is putting in the water line there.

Wes Nichols said that line is not in yet. Mike Hernandez stated it's going to be at least a year and half to two years. He said it's in the Engineering Phase, things can change.

Craig Stephens said this might be a little premature, Russell Hardy said it's hard to commit when there's not a line there. Craig Stephens suggested she approach the board after the line is in.

10. Adjourn

Joe Lahore a developer from California approached the board regarding portable housing. He distributed pamphlets to the board. He was there to ask the board what the process was to apply for city sewer, they currently have city water.

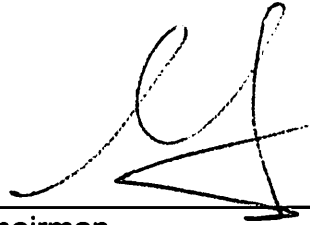
Edna Washburn stated to the board the state advised them to put septic tanks in, but she stated that would not work. Then it was decided to put their own treatment plant, but they don't have enough acreage for a treatment plant, so the next step was to ask the City to allow them to hook up to the sewer. She said they have not been able to Annex. Right now, they can't find a solution.

Mike Hernandez mentioned that the city limits go to Peach Lane, they might look at Annexing.

Fred Beard said Annexing is the best solution, he said you might have more support in the La Huerta area than you think.

Joe Lahore and Edna Washburn thanked the board for their help and for allowing them to present their issues.

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



Chairman