

MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS OCTOBER 18, 2018, AT 8:30 A.M., IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO STREET, CARLSBAD, NM

VOTING MEMBERS PRESENT:	Craig Stephens Fred Beard Russell Hardy Larry Henderson	Chairman Member Member Member
VOTING MEMBERS ABSENT:	Gary Perkowski	Member
EX-OFFICIO MEMBERS PRESENT:	Michael A. Hernandez	Ex-Officio/City Administrator/ Secretary
EX-OFFICIO MEMBERS ABSENT:	Mayor Dale Janway Eddie Rodriguez	Ex-Officio/Member Ex-Officio/Mayor Pro-Tem/ Member
OTHERS PRESENT:	John Lowe Ron Myers Wendy Hammett Joe Harvey Richard Aguilar Olga Ramirez George Blakely Jimmy Hood Lynn Stafford Jeff Patterson	Deputy City Administrator Utilities Director Director of Finance & Investments WWTP Superintendent Environmental Superintendent Assistant to City Administrator Citizen Citizen Citizen Director of PER (arrived 9:15)

0:00:01 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 it was determined that there was a quorum of voting members.

0:00:04 3. Approval of Agenda
The motion was made by Russell Hardy and seconded by Larry Henderson to Approve the Agenda. The vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, R. Hardy, No: None Absent: G.Perkowski. The Motion passed

0:00:16 4. Approval of Minutes of the Board of Water and Sewer Commissioners Regular Meeting held September 20, 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 September 20, 2018. The

vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, R. Hardy, No: None, Absent: G. Perkowski. The Motion passed

0:0030 5. Review of Connie Road City Water Meter Accounts and properties being served

Ron Myers reported to the board the city is servicing a few properties on Connie Road. Mike Hernandez asked if he knew which properties already have service agreements for outside the City. Ron explained to the board which meters were in service and the properties they were serving. He said there is a meter that is not outside city limits, but is servicing outside the city limits. Craig Stephens asked how long this has been going on. Ron stated they are not sure; it's been going on for a while. Jimmy Hood said he has lived there for about 30 years and it's been happening for a long time. He explained to the board which meters were servicing which properties.

Ron Myers continued to report to the board the meters that were servicing the different properties. Russell Hardy asked if the property owners were running their own lines. Ron stated yes they did. Russell Hardy asked who granted the access for the Right of Way. Jimmy Hood said no one. Mike Hernandez asked if the county maintains that road. Jimmy Hood said no one does. Mike Hernandez asked what the meter count for the outside city service was. Ron Myers stated there are three. Craig Stephens asked if there was a way to put a meter on the ones that are being serviced by city water. Ron Myers responded yes, but then comes the question who pays for it, the property owner would have to assume that responsibility.

Jimmy Hood said he would like to annex in. Russell Hardy asked if everyone on Connie Road wanted to annex in. Lynn Stafford said just about everyone on Connie Road wanted to annex into the city except maybe one neighbor.

Craig Stephens said if there was anything in the agreement that says they are not supposed to sell water to anyone. Ron Myers said "yes". Fred Beard stated they aren't selling the water they are just providing the water. Craig Stephens stated so they are in violation of the agreement.

Craig Stephens suggested to Mr. Hood and Ms. Stafford to try to annex into the city. Craig Stephens stated to the board that the meters are for single family residency and not the man camps. Russell Hardy asked if there was capacity for all the meters. Ron Myers said they are in the process of checking that. Craig Stephens said so right now we're looking at two different problems. One problem is there are people who are getting water that are outside city limits that don't have a meter, and second is there enough capacity to handle the future development in the area. Ron Myers stated to the board, we don't want to stop anyone from getting water; we want to try to figure out how to get them water the right way.

Russell Hardy asked if the RV property would be commercial. George Blakely stated he wanted to put about 20 RV's and his resident on the lot. Craig Stephens said so that would be a commercial. Ron Myers said residential and commercial have about the same rates. Craig Stephens said so the only thing is it needs to be classified correctly.

Fred Beard asked if they annex can the city allow them enough time to survive the annex process and not cut anyone off.

0:19:15 6. Remove from table and Consider Approval of Request from George Blakely for Water Service Outside City Limits for property located at 2007 Connie Road

The motion was made by Russell Hardy to remove from the table and discuss the request for Water Service for outside city limits Fred Beard seconded the motion. The vote was as follows: Yes: C. Stephens, F. Beard, L. Henderson, R. Hardy No: None, Absent: G. Perkowski.

Ron Myers stated George Blakely wanted to put 14 RV spaces on his property and eventually up to 20. George Blakely said yes, up to 20 plus a resident. He said his resident will be there longer than the RV spaces. Ron Myers told the board Mr. Blakely's property is outside the city limits. He said this system is its own system; it is separate from the city's water system. He said they are in the process of having an engineering service update the water model, specifically for this area. He wants to do an analysis on the capacity in the area. Ron Myers said right now we are over committed in this area. The city is required to maintain 20 PSI at each service connection, at each hydrant during peak flows and fire flow situation. Mike Hernandez mentioned to the board this also feeds Ridgecrest and the Muscatel areas. Ron Myers said if there's a fire flow we would drop below 20 PSI. He hasn't experienced this but he has been told in the past, that when users draw a lot of water out of the system, people complain that they had no water or very low pressure in certain areas of the system. Joe Harvey stated that was correct and when they were commercial water they couldn't keep pressure, but once it changed to Industrial the pressure came back up.

Ron Myers said he is hoping within the next few weeks, they will be able to run some data out there and he will have more information to report. Mike Hernandez asked what size of meter. Ron Myers said probably a one inch. George Blakely stated typically RV's use about 100 gallons per day.

Craig Stephens said he thinks they need to annex into the city to get things all cleaned up. Fred Beard agreed this would be a long term fix. He said there is still a lot of real estate out there.

George Blakely asked how annexing would affect his proposed RV Park. Mike Hernandez stated Jeff Patterson would be able to answer his questions. Mike Hernandez asked if George Blakely had already spoken to the County. George Blakely said he has the permits from the County that he needs.

Fred Beard stated until everything is taken care, the annexation no matter how long it takes they need to leave everyone hooked up so no one loses water.

Jimmy Hood asked about the process to annex into the city. Jeff Patterson arrived at 9:15 and was asked by Craig Stephens how long the process was to annex. Jeff Patterson stated it would have to go to Planning and Zoning, and then to Council, it has to be an Ordinance so that's at least a 30 day public notification. He said they are probably looking after the first of the year, possible January. Craig Stephens said so maybe 90 days. Jeff Patterson said 90 days is plenty of time maybe even 60 days. Jeff Patterson stated if the city is to maintain the street we would need 60 feet of the Right of Way.

Russell Hardy stated Mr. Blakely wants to put in an RV Park; he's already working with the county what are the differences in the zoning between county and city. Jeff Patterson said our temporary

housing is a little less cumbersome than the county and it's good for 5 years, it does requires a four foot fence.

The motion was made by Russell Hardy to table Mr. Blakely's RV request until they get a path forwarded on the annexation for Connie Road, with no stipulation on time frame of when it can come back and not cut anybody off Fred Beard seconded the motion. The vote was as follows, Yes: C. Stephens, F. Beard, L. Henderson, R. Hardy No: None Absent: G.Perkowski. The motion passed.

0:52:45 7. Discuss and Consider Approval of Board Recommendations on Water and Sewer Rates

Ron Myers distributed the Water & Sewer Rate rates of surrounding areas. Craig Stephens asked if the city was looking at going out to RFP. He would like to see an outside company do a comparison of the surrounding communities.

Ron Myers reported to the board that last fiscal year the average cost to produce 1000 gallons of water was \$3.35. On a one inch meter for a residential service if they use 60,000 gallons of water they are charged \$95.70, it costs the city \$201 to provide that water. The city is losing about \$100. Mike Hernandez asked Wendy Hammett if the Water fund supported anything outside of the enterprise fund. Wendy Hammett said she would go into detail on the Financial Reports. She stated the Water & Sewer fund was heavily sustained by Fund 2 which is the infrastructure fund.

Craig Stephens asked if this could be completed by March so the board could evaluate all of that to include the January and February usage.

The motion was made by Russell Hardy to go out for RFP to administer a third party to evaluate the rate structure in comparison with other communities, and comparison in what it's costing the city to operate the city water Fred Beard seconded the motion. The vote was as follows: Yes: C. Stephens, R. Hardy, F. Beard, L. Henderson No: None Absent: G. Perkowski. The motion passed.

1:00:05 8. Utilities Department Monthly Reports and Project Updates presented by Ron Myers

Ron Myers went over the monthly reports. He stated the water pumped and water sold really hasn't gone up all that much. Ron Myers stated he noticed in some of the newer developments they are doing xeriscaping, which he thinks they need to start encouraging. Craig Stephens stated maybe have some type of incentive for those who xeriscape.

1:01:30 9. Financial Reports for August 2018 presented by Wendy Hammett

Wendy Hammett mentioned the rates were raised in October about a 3.73 % increase. She stated funds were transferred from Fund 2 to sustain the Capital Projects and Double Eagle. Wendy Hammett stated that Fund 2 is funded through Gross Receipts Tax Revenue that is allocated specifically for infrastructure. Russell Hardy asked how the GRT fund was doing; Wendy Hammett responded we're doing very well.

Wendy Hammett reported to the board the majority of the transfers out are for loan payments along with the liability insurance. She also asked the board to notice the NMSF loan payment was not

budgeted this year, there was a little bit of money set aside to pay it. But next year the transfers out will increase 1.2 million to cover that cost. Mike Hernandez reminded the board the city also has aging infrastructure. Craig Stephens said the city also has a need to extend infrastructure.

1:06:09 10. Adjourn

The motion was made by R. Hardy and seconded by L.Henderson to adjourn. The vote was as follows, Yes: C.Stephens, R.Hardy, F.Beard, L.Henderson, No: None, Absent: G. Perkowski. The motion passed.

Chairman

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