

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF WATER AND SEWER COMMISSIONERS AUGUST 19, 2021, 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>Craig Stephens</b> <b>John Bowen</b> <b>Dennis Miehl</b> <b>Gary Perkowski</b>	<b>Chairman</b> <b>Member</b> <b>Member</b> <b>Member</b>
<b>VOTING MEMBERS ABSENT:</b>	<b>Fred Beard</b>	<b>Member</b>
<b>EX-OFFICIO MEMBERS PRESENT:</b>	<b>Eddie Rodriguez</b>  <b>John Lowe</b>	<b>Ex-Officio/Mayor Pro-Tem/Member</b>  <b>Ex-Officio/City Administrator/Secretary</b>
<b>EX-OFFICIO MEMBERS ABSENT:</b>		
<b>OTHERS PRESENT:</b>	<b>KC Cass</b> <b>Ron Myers</b> <b>Melissa Salcido</b> <b>Wes Nichols</b> <b>Denise Madrid Boyea</b> <b>Olga Ramirez</b> <b>Richard Aguilar</b> <b>Dave Anderson</b> <b>Frank Willis</b> <b>Art Torrez</b>	<b>Deputy City Administrator</b> <b>Director of Utilities</b> <b>Director of Finance</b> <b>Deputy Director of Utilities</b> <b>City Attorney</b> <b>Assistant to City Administrator</b> <b>Environmental Services Superintendent</b> <b>ABC</b> <b>Vantage Engineer</b> <b>HES</b>

**1. Roll Call and Determination of a quorum**

C. Stephens called roll and it was determined that there was a quorum of voting members.

**2. Approval of Agenda**

The motion was made by G. Perkowski and seconded by D. Miehl to Approve the Agenda. The vote was as follows, Yes: C. Stephens, D. Miehl, J. Bowen, G. Perkowski. No: None. Absent: F. Beard. The motion passed.

**3. Approval of Minutes of the Board of Water and Sewer Commissioners Regular Meeting held July 15, 2021**

The motion was made by D. Miehl and seconded by J. Bowen to Approve the Minutes of the July 15, 2021 regular board meeting. The vote was as follows, Yes: C. Stephens, D. Miehl, J. Bowen, G. Perkowski. No: None. Absent: F. Beard. The motion passed.

#### **4. Consider Approval of request from Ellipse Global Quahada RV Park for Double Eagle Water Service**

C. Stephens introduced Dave Anderson. D. Anderson gave a brief history of Quahada RV Park. D. Anderson stated he has been assisting Quahada in getting water rights, either purchasing, transferring or anything. They have been unable to obtain any water rights. This is their only option to obtain water for the RV Park.

D. Anderson introduced F. Willis and A. Torrez. F. Willis stated he is an engineer and he has assisted several RV Parks in the area and Artesia with getting fresh water and staying in compliance with the state. A. Torrez is retired from the City of Roswell he is a Level 4 Waste Water Operator, he works with RV parks with permitting and environmental compliance with the state. A. Torrez said him and F. Willis are working closely together to help Quahada comply with what the City of Carlsbad wants.

D. Anderson said this will require a right-of-way with the BLM, it is approximately 4/10ths of a mile (3/10ths of that is on BLM, 1/10<sup>th</sup> is on Quahada Park).

J. Bowen asked for the location of the park. D. Anderson stated it is about 7 miles outside of Carlsbad towards Hobbs. G. Perkowski asked where the park was receiving its water from, D. Anderson stated from some illegal wells; they have been working with OAC for over a year to find a solution. He stated Quahada RV Park was unfamiliar with the law, and they thought they could put a well and start pumping. He mentioned they did approach the city a few years back, that was a preliminary meeting and they thought they could make use of those wells.

J. Bowen asked who the owners of Quahada RV Park are. D. Anderson replied, Ellipse Global, Mike Homes is the CEO. He stated they provide lodging, and catering during disasters. In particular, RV Parks and man camps. J. Bowen asked how many spaces were at the RV Park. D. Anderson responded the park is not complete but currently they have about 80 units, those are the pre-fabs, and 75 RV spaces. He stated their vacancy is about 60%, they have a large cafeteria, a fitness center and several offices.

D. Miehl asked for clarification about Quahada RV Park expanding. D. Anderson stated they do have the area to expand, which could add another 100 units.

J. Lowe asked if this request is approved and the facility is sold; will the water service go with the new owners or will this remain with the property. He asked does this request fall under the outside city limit ordinance. R. Myers stated it would fall under the Double Eagle Water Service, so the outside city limits ordinance does not apply. C. Stephens asked if they could add part of the outside city limits ordinance to an agreement if this request was approved. R. Myers stated yes, but of course, that is up to the Advisory Board.

C. Stephens asked isn't there normally a deposit, there is not one listed and stated it looks like they use quite a bit of water, close to 2 million gallons a month. R. Myers stated that is correct this is just a preliminary application so he did not put the deposit down. C. Stephens asked if they would be treating their own water. D. Anderson stated yes, that is correct, it is non-potable water.

R. Myers reminded the board if Quahada RV Park has a positive sample, the city would be required to test all the wells at Double Eagle within 24 hours. G. Perkowski asked if Quahada would pay for that. D. Anderson responded he believed they could work something out. J. Bowen asked if there were any similar agreements with users using the Double Eagle system. R. Myers stated there are some that are somewhat similar to this one.

C. Stephens asked what the alternative was. D. Anderson stated they would have to ask Mosaic, but didn't think that would be a possibility. C. Stephens asked what the rate would be; R. Myers stated it would be the Double Eagle rate.

Councilor Rodriguez asked if it would be possible to provide water to Connie Road and take a line straight to Quahada RV Park. R. Myers there are still a lot of issues they are working on in that area and if they have a positive sample, the city would then have to test Double Eagle and Sheep's Draw.

C. Stephens asked if they had an estimate of the longevity of the RV Camp. D. Anderson the projection for the oil and gas industry is twenty to thirty years, so I would say maybe ten years. He wanted to clarify the 2 million gallon usage is considering future expansion.

J. Bowen asked if this request was approved how they would make the water available. R. Myers stated it has a 24-inch line, this is possible.

J. Lowe stated to the board, the city has received this request so they brought it to the board, this will be less water brought into town from Double Eagle. C. Stephens asked could they do what Councilor Rodriguez suggested. J. Lowe replied that is an option, but there are still a lot of issues in that area that need to be addressed. R. Myers stated there are some issues that need to be corrected first.

J. Bowen asked what the opposition was to this request. J. Lowe reminded the board the city spent millions of dollars to get this second water source for the city, this would be less water brought to town. C. Stephens asked if something could be added into the agreement if the city needed the water from Double Eagle, it comes to the city first. J. Lowe stated yes, he just wants the board to be aware and they need to keep an eye on how much the city can pump monthly, that may become an issue in the future.

C. Stephens asked what the city recommends for the deposit. R. Myers stated the current rule says if it's from Double Eagle the rate is three times the average monthly use. C. Stephens asked if the agreement could be revisited in five years. Councilor Rodriguez stated as a representative to the public, the city wants to provide water to the public as long as it does not adversely affect the rest of the public. He said if the city is going to continue to provide water outside of the city, they need to try to get them to annex into the city. So they can better control the actions and reactions of what takes place.

Councilor Rodriguez asked if they were pursuing water rights from other avenues. D. Anderson said they have consider it, but this was their best option. G. Perkowski asked if they have

considered annexing into the city. D. Anderson replied, no but he will mention that to the CEO. G. Perkowski explained the process. D. Anderson asked if that was something that could be added to the contract.

The motion was made by G. Perkowski to approve the request with the stipulation that all the restrictions that were discussed are put into the contract. Which included if the RV Park is sold, the new owner would have to come back to Water Board to apply for the Water service. If Quahada receives a positive sample they would pay to have the city's wells at Double Eagle tested. If the city needed water from Double Eagle, the city has priority. Also, consider annexing into the city. The agreement would be reviewed in five years. J. Bowen seconded the motion. The vote was as follows, Yes: C. Stephens, D. Miehl, J. Bowen, G. Perkowski No: None. Absent: F. Beard. The motion passed.

**5. Utilities Department Monthly Reports and Project Updates presented by Ron Myers**


R. Myers stated that with the recent rains, there was significant recharge in the Capitan Reef Aquifer, and the outdoor watering has decreased, which also helped the Aquifer. He stated Well #7 is still down, but hopefully it will be back on-line in a few weeks.

**6. Financial Reports presented by Melissa Salcido**

M. Salcido gave a summary of the June Financials. Revenues are unfavorable to the budget. Labor costs are favorable to the budget. Operating costs are favorable to the budget. Capital costs are favorable to the budget. C. Stephens asked how the new billing system was working. M. Salcido responded everything seems to be going well.

**7. Adjourn**

The motion was made by G. Perkowski and seconded by D. Miehl to Adjourn. The vote was as follows, Yes: C. Stephens, D. Miehl, J. Bowen, G. Perkowski. No: None. Absent: F. Beard. The motion passed.

  
Chairman