

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF WATER AND SEWER COMMISSIONERS
JUNE 18, 2026 AT 8:30 A.M.,
IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO
STREET, CARLSBAD, NM**

VOTING MEMBERS PRESENT:	Craig Stephens John Bowen Robert Chavez Dennis Miehl	Chairman Member Member Member
VOTING MEMBERS ABSENT:	Fred Beard	Member
EX-OFFICIO MEMBERS PRESENT:	Eddie Rodriguez Wendy Austin	Ex-Officio Ex-Officio/City Manager/ Secretary
EX-OFFICIO MEMBERS ABSENT:	Richard D. Lopez	Mayor
OTHERS PRESENT:	Ken Ahrens Ivan "Mike" Abell KC Cass Barbara Hodgson Melissa Salcido Richard Aguilar Anthony Hernandez Olga Ramirez Steve McCutcheon Steven McCutcheon Maria O'Brien	Deputy City Manager Director of Utilities Director of Operations City Attorney Finance Director Environmental Services Superintendent Water Superintendent Assistant to City Manager Twin Wells Twin Wells Modrall Sperling

1. Roll Call and Determination of Quorum

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

**2. Consider Approval of Minutes of the Board of Water and Sewer Commissioners
Regular Meeting held May 21, 2026**

The motion was made by D. Miehl and seconded by J. Bowen to approve the Minutes of the Regular Board of Water and Sewer Commissioners meeting held on May 21, 2026. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Absent: F. Beard. The Motion passed.

3. Utilities Department Monthly Reports presented by Ivan "Mike" Abell

I. Abell reported for the month of May the Water department pumped approximately 1042.10 acre-feet from the Sheep's Draw, which is 11.32 million gallons a day. This is 48.4 acre-feet more than this time last year. The City is at 39% of their Water Rights. In the Double Eagle Water System, the Double Eagle department pumped about 67.55 acre-feet or about 22 million gallons. He reported they pumped 408.10 acre feet of the 7648 acre feet that is available at Double Eagle.

They have used about 6% of their Water Rights. They delivered 25.07 acre feet to the City which is about 8.17 million gallons a day. Customers on the Double Eagle water system used approximately 1.58 million gallons. The WWTP treated about 2.88 million gallons of sewage and treated about 393 thousand gallons of septage. They delivered 20.48 million gallons of Effluent to the Municipal Golf Course and had approximately 69.13 acre feet or 22.53 million gallons in Effluent sales for the month of May. There are approximately 13,234 water meters which is an increase of four meters from last month.

Precipitation for the month of May was 0.40 inches.

4. Financial Reports presented by Melissa Salcido

M. Salcido gave a summary of the May 2026 Financials. The Water & Sewer Fund had a beginning fund balance of \$17 million. Revenues budget had a balance of \$16 million and was \$29.2 million unfavorable to the \$45.2 million budget. This unfavorable variance is related to the timing of the grants and the Water and Sewer loans. If the grants and loans were to be removed the Water and Sewer fund would still be unfavorable by only \$800 thousand in revenues. Labor costs of \$4.9 million were \$900 thousand favorable to the \$5.8 million budget. Operating costs of \$3.2 million were \$800 thousand favorable to the \$4 million budget. Capital Investment of \$6.3 million was \$46.2 million favorable to the \$52.5 million budget.

W. Austin stated under the miscellaneous Revenues, the unfavorable balance of about \$1.4 million that is due to the County contribution for the affordable housing project.

5. Consider Approval to recommend to City Council a Resolution to deem certain Utility Accounts Uncollectable

M. Salcido stated per State Statute an uncollectable account can be removed from the list of accounts receivable if, the account has been uncollectable for a period of more than four years. It's the recommendation of the Director of Finance and the City's auditors, to deem certain utility accounts uncollectable on a yearly basis. The removal of the uncollectable accounts improves the presentation of the balance sheet and better aligns the City with generally accepted accounting principles.

She stated, currently the City has 359 uncollectable utility accounts totaling \$109,797.92. These accounts represent balances from calendar year 2020 and 2021. The amount deemed uncollectable is less than 1% of the 15% allowance for uncollectable accounts that the City includes in the audited financial statements.

She mentioned in addition, State Statute states that efforts must be made to collect unpaid accounts. The City has attempted to collect these unpaid accounts by invoicing and filing property liens, when allowed by law. Further efforts at collection are not possible due to statutory limits or cost effectiveness. The City is not waiving rights to collect these unpaid accounts in the future.

C. Stephens asked how many of these uncollectable accounts are tenant accounts and how many are home owner accounts. M. Salcido responded she does not have the correct number but a majority of the accounts are tenants. W. Austin mentioned to the board they had previously discussed the anticipation of the higher uncollectable accounts due to the COVID pandemic. Councilor Rodriguez asked for auditory guidelines after the 15% is that just an audit finding? W. Austin stated it would probably just be a finding.

The motion was made by J. Bowen and seconded by R. Chavez. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None. Absent: F. Beard. The Motion passed.

6. Consider Approval to convene into closed session pursuant to N.M.S.A. 1978 Section 10-15-1(H)(7) discussion of Threatened or Pending Litigation and Section 10-15-1(H)(8) discussion of the Purchase, Acquisition or Disposal of Real Property

The motion was made by D. Miehl and seconded by J. Bowen to approve to convene into closed session pursuant to NMSA 1978 Section 10-15-1(H)(7), discussion of Threatened or Pending Litigation and Section 10-15-1(H)(8) discussion of the Purchase, Acquisition or Disposal of Real Property. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Absent: F. Beard. The Motion passed.

7. Consider Approval to reconvene into open session

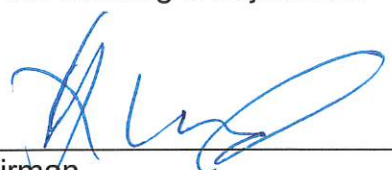
The motion was made by D. Miehl and seconded by J. Bowen to reconvene into open session. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Absent: F. Beard. The Motion passed.

8. Consider Approval of statement regarding closed session. Pursuant to the requirements of the Open Meetings Act, the closed session was held to discuss matters pursuant to N.M.S.A. 1978, Section 10-15-1(H)(7) discussion of Threatened or Pending Litigation and Section 10-15-1(H)(8) discussion of the Purchase, Acquisition or Disposal of Real Property

C. Stephens stated, Pursuant to the requirements of the Open Meetings Act, the Closed Session was held to discuss matters pursuant to NMSA 1978 Section 10-15-1(H)(7), discussion of Threatened or Pending Litigation and Section 10-15-1(H)(8) discussion of the Purchase, Acquisition or Disposal of Real Property. No other matters was discussed.

The Motion was made by D. Miehl and seconded by J. Bowen to approve the statement regarding the closed session. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Absent: Beard. The Motion passed.

With no further business to discuss, C. Stephens declared the meeting is adjourned.


Chairman