

**COUNCIL OF THE VILLAGE OF BOSQUE FARMS, NM
MINUTES OF THE JOINT WORKSHOP WITH PERALTA
AT THE TOWN OF PERALTA, NM
AUGUST 19, 2014**

1. CALL TO ORDER

Mayor Bryan Olguin called the meeting to order at 6:06 p.m.

2. ROLL CALL

Present were Bosque Farms Mayor Robert Knowlton, Councilors Bill Kennedy, Dolly Wallace and Russ Walkup, Clerk/Administrator Gayle, Peralta Mayor Bryan R. Olguin, Councilors Leon Otero, Joseph R. Romero and Ginger Romero and Clerk/Administrator Julie Pluemer. Bosque Farms Councilor Wayne Ake and Peralta Councilor Tracy Aragon were absent.

3. DISCUSSION OF WASTEWATER RATES FOR THE TOWN OF PERALTA

Mayor Olguin stated that the two Governing bodies were here to discuss the rate structure for wastewater for the Town of Peralta. He stated that this project was the number one priority on the Valencia County water/wastewater study that was done several years ago by a task force.

Mayor Olguin discussed Peralta's debt for this sewer project. When everything is complete, Peralta will be \$4.2 million in debt.

Mayor Olguin stated that the sewer system would be installed in five (5) phases but only phase one will be installed with the existing clarifier that Bosque Farms has at the Wastewater Treatment Plant. The first phase would include approximately 150 to 250 connections. Councilor Romero acknowledged that a second clarifier would need to be built before any other phases could be done.

There was discussion regarding the recent sewer rate analysis completed by Bosque Farms. Councilor Romero stated that this rate analysis reflects a full build out of their project. There was discussion. Councilor Romero stated that he didn't think Bosque Farms' cost would double when the flows double. He stated that the plant should run more efficiently at full capacity.

Councilor Walkup stated that, in good conscience, he couldn't see charging Peralta less than what Bosque Farms residents are currently paying.

There was discussion on monthly costs to Peralta and it was stated that the monthly rate needs to be affordable to their residents.

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Councilor Wallace agreed with Councilor Walkup in regards to his concerns of Peralta residents paying less than Bosque Farms residents. She stated that Bosque Farms residents have already paid in a lot of money on our sewer system.

Councilor Romero stated that he had a sewer expense sheet for Bosque Farms that he got off of the DFA website. The figures in that report are less than what Bosque Farms indicated in their analysis. There was discussion. Councilor Romero suggested having an audit done on actual costs on Bosque Farms' sewer fund.

Peralta would be willing to pay for this audit; however, Councilor Romero stated that if Bosque Farms feels that they have to charge Peralta, a wholesale customer, the same as their residents, an audit wouldn't do any good. There was discussion.

Councilor Walkup brought forth two other options for billing; one would be to meter the flows going into the wastewater treatment plant and set a per gallon charge and the other would be to charge a per connection fee.

Councilor Wallace stated that she wanted to help Peralta but had to be fair to her constituents also.

Bosque Farms Clerk/Administrator Jones suggested doing the audit while the Bosque Farms' auditor does the annual audit, eliminating the need to hire another auditor.

Councilor Wallace asked what kind of a time frame Peralta was looking at. Mayor Olguin stated that they would need an answer by the end of this year.

Peralta Clerk/Administrator Pluemer stated that a construction contract was to be awarded in November. The trenches for the sewer collection lines in Peralta would be run with the Highway 47 project starting in January 2015; so a decision needs to be made soon.

Councilor Walkup stated that he has an issue with the audit Peralta wants to do and suggested narrowing the scope of the audit. He stated that decisions still needed to be made about ownership of the system and taking care of the infrastructure.

Councilor Walkup was asked what his cost would be per connection and he stated \$19.65 per connection, which was per resident; plus a surcharge for metered flows over a certain amount.

Councilor Romero suggested that Peralta seek other funding for plant repairs instead of just relying on user fees.

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It was decided that Peralta would hire an auditor to be on-site at the same time the Bosque Farms auditor would be in their office to look at actual wastewater expenses.

4. DISCUSSION OF MOU BETWEEN THE VILLAGE OF BOSQUE FARMS AND THE TOWN OF PERALTA

There was discussion of a Memorandum of Understanding between Bosque Farms and Peralta.

Mayor Olguin stated that Randy Van Vleck, General Counsel for the Municipal League, suggested making this agreement a Joint Powers Agreement. He stated that this would make both municipalities accountable to DFA.

Mayor Knowlton stated that the DFA told Bosque Farms to go with an intergovernmental agreement so that the DFA doesn't have to approve it.

Clerk/Administrator Pluemer stated that NMED wants to see a set rate structure in the agreement. She also stated that she changed the wording in the MOU making the payment to Bosque Farms monthly instead of quarterly.

Councilor Romero asked to add a statement that Phase 1 was all that could be added until the second clarifier and sludge processing system was built. Everyone was in agreement.

There was discussion regarding the NPDES Permit for Bosque Farms. The additional clarifier will probably require hiring another certified operator and possibly additional licenses.

It was also decided that there needed to be something added in the agreement regarding an annual review of the rates, agreement, etc. There also needed to be specificity on grinder pump size, sludge requirements for users and other requirements.

It was noted that Peralta was basing their costs to Bosque Farms for sewer at \$10.00 per connection.

5. ADJOURNMENT

Mayor Olguin adjourned the meeting at 8:04 p.m.

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PASSED, APPROVED AND ADOPTED THIS 18TH DAY OF SEPTEMBER 2014.

Robert G. Knowlton, Mayor

(SEAL)

ATTEST:

Gayle A. Jones, Clerk/Administrator