

**COUNCIL OF THE VILLAGE OF BOSQUE FARMS, NM  
MINUTES OF THE JOINT WORKSHOP WITH PERALTA  
AT THE VILLAGE OF BOSQUE FARMS, NM  
SEPTEMBER 22, 2014**

**1. CALL TO ORDER**

Mayor Robert G. Knowlton called the meeting to order at 6:00 p.m.

**2. ROLL CALL**

Present were Bosque Farms Mayor Robert Knowlton, Councilors Bill Kennedy, Wayne Ake and Russ Walkup, Clerk/Administrator Gayle Jones, Peralta Mayor Bryan R. Olguin, Councilors Leon Otero and Kori Taylor, Clerk/Administrator Julie Pluemer and Deputy Clerk/Treasurer Melissa Baxter. Bosque Farms Councilor Dolly Wallace and Peralta Councilors Tracy Aragon and Joe Romero were absent.

Mayor Knowlton introduced Senator Michael Sanchez, Representative Alonzo Baldonado, Representative Kelly Fajardo and Jim Chasson from NMED. He welcomed them to the meeting.

**3. DISCUSSION OF WASTEWATER RATES FOR THE TOWN OF PERALTA**

Mayor Knowlton recapped discussions from previous meetings. He stated that the Bosque Farms Village Council recently met and discussed charging on a metered flow basis at a per 100-gallon rate. He referenced a handout showing expenses for the Waste Water Treatment Plant.

He stated that the average incoming flow to the plant from Bosque Farms residents from 2012 and 2013 was 77,852,000 gallons or an average per household of 4,521 gallons. He stated that the council was looking at a .473 per 100-gallon charge.

Mayor Knowlton turned the floor over to Mayor Olguin.

Mayor Olguin recapped the history of the Valencia County Water/Wastewater Task Force and he thanked Mayor Knowlton for his continuing work on this joint effort.

He maintained that Mayor Knowlton originally came up with a figure of \$7.50 per connection fee in the meetings held between the two Mayors and administrators and that Peralta later received another figure of \$20.32 per connection. He stated that Peralta asked to audit Bosque Farms books and Bosque Farms didn't agree to the audit. He stated that Clerk/Administrator Jones then came up with a figure of \$21.39 per connection based on actual expenses from FY 2012-2013.

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Mayor Olguin indicated that he read an article in the Valencia County News Bulletin that Bosque Farms would go no lower than \$18.50 per connection.

He stated that the wastewater treatment plant was designed to run at capacity and he asked Bosque Farms to educate Peralta on the sewer business. He stated that an additional flow meter would run about \$30,000.00.

Mayor Knowlton stated that the Bosque Farms' auditor did not want the distraction of another auditor there while he was auditing Bosque Farms books and that the Clerk and Treasurer just didn't have time to help another auditor. That is why Bosque Farms was opposed to the audit.

He stated that debt service was just part of doing business; it does not make Peralta part owner. He stated that our residents were complaining about Peralta paying less for sewer than they are.

Mayor Olguin stated that Peralta was told by Mayor Knowlton that the reason the sewer expenses went up was because of the cost of grinder pumps and parts. Mayor Knowlton assured him that there were no grinder pump expenses referenced in the expense sheet.

Mayor Olguin stated that the Highway 47 project was getting ready to start and Peralta had their loans lined up. He stated that if Peralta doesn't put in the sewer lines now, during the Highway 47 project, they would have to wait another ten (10) years for another opportunity.

Councilor Kennedy stated that basing the cost on flows would allow Peralta to pay for exactly what they send to the wastewater treatment plant. He also stated that he had priced flow meters and the prices were anywhere from \$2,500.00 to \$12,000.00.

Councilor Ake asked why two flow meters would be needed and Mayor Olguin stated that since the meters aren't exact, the two meters could be averaged.

Jim Chasson, NMED, affirmed that the meters are better than they used to be and more exact but might be a good idea to have two and average them.

Councilor Ake stated that Bosque Farms needed to be diligent about checking the meter and making sure to calibrate it on a regular basis.

There was discussion about multiple Peralta residents hooking up to one grinder pump and Clerk/Administrator Pluemer stated that is against their ordinance.

Councilor Kennedy suggested reviewing the rates after 6 months of flow history.

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Mayor Knowlton reiterated that Peralta was getting a good and fair price. He also stated that Bosque Farms couldn't allow Peralta to build any further than Phase 1 until Bosque Farms gets an additional clarifier and a better way to process sludge.

Mayor Olguin stated that the statewide average for collection and treatment of sewage is about \$20.00 per household. It was noted that Albuquerque/Bernalillo County's rates were cheaper because there are so many commercial and industrial businesses.

Mayor Knowlton asked Jim Chasson to comment on the fee. Mr. Chasson stated that Clerk/Administrator Pluemer did visit their Albuquerque office to look at the average statewide cost of treating wastewater. He indicated that he hadn't really looked at Bosque Farms numbers but whatever method was used, there would have to be a meter on the incoming line. He discussed some of the things that Peralta would have to think about when figuring how to bill their customers.

Councilor Walkup stated that he liked the per 100-gallon charge. He stated that this would put the liability for repairs back on Bosque Farms; Peralta wouldn't have to come up with half the cost of large repairs. He stated that if Peralta's flows were not as much, then they wouldn't be paying as much, especially in the beginning. Councilor Walkup stated that this would be a benefit across the board to go with a per 100-gallon charge.

Councilor Otero stated that he still had an issue with the debt service.

Clerk/Administrator Pluemer stated that the figure of .473 per 100-gallons still includes the debt service and working capital. If the debt service and working capital were taken out the figure would be .361 per 100-gallons. She suggested a happy medium of .40 per 100-gallons.

Councilor Ake stated that the debt service had to remain; Bosque Farms can't stop paying the debt.

Jim Chasson suggested re-amortizing the debt to figure what debt remains and base Peralta's cost on that debt.

Representative Baldonado suggested Bosque Farms write up an agreement and send it to Peralta for them to look at.

Senator Sanchez stated that the two communities are so close to coming to an agreement and it would be a shame if they can't. He stated that this would help all of Valencia County. He also stated that Bosque Farms has built itself up as a prosperous community that cares about its neighbors and if there was an issue that wasn't resolved, it would be hard for legislators to give capital outlay money.

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Councilor Ake asked if there was an attitude in Santa Fe to clean up these types of issues. Senator Sanchez stated that the legislators were more than willing to put money into water and wastewater projects around the state.

Councilor Walkup stated that the debt service seemed to be the sticking point and suggested looking at what Bosque Farms still owes; it may make a difference if the debt could be refinanced.

Mayor Olguin asked if a number could be decided on tonight and then looked at again in one year.

Councilor Taylor stated that the .473 per 100-gallons was at the high end, .361 per 100-gallons was at the low end and suggested the median of .40 per 100-gallons.

Councilor Kennedy stated that the median would be .417 per 100-gallons which would make the monthly base on that figure \$18.85 per connection.

Mayor Olguin agreed on the \$18.85 per connection until they had more data. He stated that Peralta needed to move forward on their loans.

Councilor Ake asked how Peralta would guarantee that multiple residences would not connect to one grinder pump. Mayor Olguin stated that they couldn't guarantee anything but Peralta would enforce their ordinances. They would collect data each month on the number of connection and amount of flow. Peralta plans on keeping any development along Highway 47 and keeping the outskirts of Peralta rural.

Councilor Ake asked about Peralta Elementary and Mayor Olguin stated that they would probably remain with Bosque Farms.

Councilor Ake asked what the start date was on the Highway 47 project and Mayor Olguin stated that the utilities were scheduled to be installed in January 2015.

Mayor Olguin asked for an agreement on the charge and Councilor Walkup stated that Bosque Farms would need to hold a special meeting for a vote on the charge and work on an IGA.

Mayor Knowlton suggested that Peralta come up with an IGA and send it back to Bosque Farms for action. He stated that they would need to work on the cost of double grinder pumps connections. He also stated that Bosque Farms would contact the school regarding their preferences.

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**4. ADJOURNMENT**

Mayor Knowlton adjourned the meeting at 8:00 P.M.

**PASSED, APPROVED AND ADOPTED THIS 16<sup>TH</sup> DAY OF OCTOBER 2014.**

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Robert G. Knowlton, Mayor

(SEAL)

ATTEST:

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Gayle A. Jones, Clerk/Administrator