

**Minutes
Regular Meeting
November 8, 2022**

The Village of Capitan Board of Trustees met in a Regular Meeting on Tuesday, November 8, 2022 at the Village Hall in Capitan, New Mexico at 6:00 PM.

Mayor Lowrance called the meeting to order at 6:00 PM.

Roll Call: Mayor Lowrance – present, Trustee Kearns – present, Trustee Shearer – present, Trustee Fraley – present, Trustee Hair – present. Al Cavazos – Village Clerk, Donna Weekley – Administrative Assistant, Angela Autrey – Deputy Clerk/Court Clerk/Human Resources Clerk, LeAnne Brasher – Finance Officer, Steve Osborn – Water Department Supervisor, Johnathan LaMay – Street Department Supervisor, Randy Spear – Police Chief, and Kevin Kennedy – Fire Chief/Projects Administrator were also present. A list of others in attendance is attached.

Item #1 on the Agenda: Approval of the Agenda.

Trustee Shearer made a motion to Approve the Agenda. Trustee Kearns seconded the motion.

Discussion: There was no discussion of this item.

Roll Call: All were in favor, the motion carried.

Item #2 on the Agenda: Public Input. (2 Minute Limit per Speaker).

There were no public comments.

Item #3 on the Agenda: Mayor and Trustee Comments

Trustee Kearns had no comments.

Trustee Shearer asked for an update on the train depot. Paul has \$3,000 left. Paul has been in California for a month and just got back but his crew has been working. Trustee Shearer asked if there was a new agreement. Al Cavazos explained once the \$3000 has been spent, the Village will take bids from authorized contractors for the completion of the project. The winner of the bid will be put on a schedule for completion of the project. The information will be brought to the Trustees. Once the project is complete, the Village will take over operations. Trustee Shearer asked what the cost is to finish. The last amount Paul said was needed to complete the project was \$10,000. Kevin Kennedy said Paul is needing money for another air conditioner/heater. Trustee Kearns said Paul is already over his time limit and asked if another time limit was going to be set. Al explained Paul stated he has other resources available to him. Money that has been committed to the project from other sources will be used for the project to maintain compliance. The Village wants to make sure the construction is up to code. Trustee Kearns asked about the design and if the Village could have control to make it multi-purpose. Trustee Shearer asked if the train depot could be kept on the agenda and Trustee Kearns concurred.

Trustee Fraley had no comments.

Continued Item #3 on the Agenda: Mayor and Trustee Comments

Trustee Hair asked when the Greentree meeting is held. Mayor Lowrance told her it is the third Thursday of every month at 10:00 am. He said he is going to give her his proxy or he will submit his letter of resignation so she can attend the meetings for the Village. Trustee Shearer said she talked to Barbara about the issue and asked her to help get it resolved.

Mayor Lowrance said he did not have anything.

Item #4 on the Agenda: Approval of the Minutes: Regular Meeting – October 11, 2022

Trustee Shearer made a motion to Approve. Trustee Hair seconded the motion.

Discussion: There was no discussion of this item.

Roll Call: All in favor. The motion carried.

Item #5 on the Agenda: Presentation – Employee Recognition

The Village recognized employees for their efforts.

Item #6 on the Agenda: Discussion – A Presentation by Karl Pennock on Water Rate Study and Recommendations

Discussion: Karl Pennock with Rural Community Assistance Cooperation wanted to know when the Village is looking at having the rates study complete. He is looking at January because any changes that come from the audit could affect his analysis. Trustee Shearer said any rate changes would involve ordinance changes and the rate changes might not be put into effect until July. Mr. Pennock ask what effect that would have on funding and said it might be better to do it sooner. Trustee Shearer said if the rate study was complete by January, they would be ready to lobby. Trustee Shearer asked about the \$180,000 capital fund discussed at the last meeting. She wondered if that could be funded out of the general fund. Mr. Pennock said it could but a funder looks to see if the income covers expenses and that could negatively affect funding. The purpose of the study is to make recommendations to provide adequate income. His goal is to come up with something that is fair, justifiable, and easy to implement as a 5-6 year plan. He considers the budget for daily operations including fixed and variable items, current/upcoming projects, reserves, debt payments, and inflation when developing the plan. Trustee Kearns is concerned the inflation rate Mr. Pennock is using is too general. Mr. Pennock said there is a construction inflation number. He said inflation is looked at every year and rates can be adjusted as needed. He recommends phasing a rate increase over several years. Mr. Pennock said he will work with Steve Osborn to determine an appropriate matrix to use.

There are about 840 connects and most are 5/8 inch connections. The median income for Capitan is below the state average and that allows for more funding.

Trustee Shearer said projects for Colonias have to be divided. Colonias will not fund projects that only benefit the subdivision.

The Village is currently not making CPI adjustments and Mr. Pennock recommends reenacting them. He said the \$15 sewer rate is low by state standards. Taps that use large amounts of water are going to have more sewer usage and should be charged accordingly. There should be a base rate and a uniform usage charge. Sewer usage is based on winter water use.

Continued Item #6 on the Agenda: Discussion – A Presentation by Karl Pennock on Water Rate Study and Recommendations

The water department is making a little money but is not counting for depreciation or building reserves. If no adjustments are made, the department will not be making enough revenue to cover expenses.

Rate adjustment options include a uniform adjustment of 15% in 2023, 3% in 2024, 10% in 2025 and 3% in 2026-2028. The 3% is based on CPI. This 15 % adjustment would change the base rate for up to 6,000 gallons from \$33.47 to \$38.49. At 12,000 gallons, the rate would be \$51.67 and at 20,000 the rate would be \$69.24. The average monthly usage for residential customers is 4,604 gallons. Around 50% of residents used 3,000 gallons or less. Another option is based on meter equivalency which means a higher fixed rate for larger users based on meter size. The gallons included in the base rate may be changed from 6,000 to 3,000 or 2,000. If the base rate includes 2,000 gallons, the rate would be \$31.11. The tiers would be \$1.50 up to 5,000, \$3 up to 12,000 and \$5 for usage over that 12,000. A 6,000-gallon usage with 2,000 gallon in the base rate would be about \$37.11. This option is less than the \$38.49 with the 15% increase. The Board will determine how many gallons will be included in the base rate. Taking into account some individuals are on limited incomes and if they are using less water, they should not be charged a base rate that includes 6,000 gallons. Mr. Pennock recommends looking at meter equivalency option.

A special meeting to hold a workshop will be scheduled 12/6/2022.

Item #7 on the Agenda: Discussion/Action – Approval of Bills Paid for October 2022

Trustee Shearer made a motion to Approve. Trustee Hair seconded the motion.

Discussion: There was no discussion of this item.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Item #8 on the Agenda: Discussion – First Quarter Budget Recap and CD Investment Schedule

Discussion: Trustee Kearns asked were CD's can be purchased. Al Cavazos explained banking institutions in New Mexico are offering 2.2% for a 6-month term for municipal funds. The rate quoted from Edward Jones for a 6-month CD is 4.5%. LeAnne Brasher explained the information being shared is for current CD's. Trustee Fraley asked if the Village is ready to buy the third CD. LeAnne Brasher explained the Village was looking into Edward Jones for that next purchase.

Item #9 on the Agenda: Discussion/Action – Approve Resolution 2022-22 Budget Adjustments and Revisions

Trustee Hair made a motion to Approve. Trustee Shearer seconded the motion.

Discussion: Trustee Shearer ask if the waste water sewer was for the sludge and that was confirmed. There was a BAR adjustment to cover legal fees for the Water Department and for the American Rescue Fund.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Item #10 on the Agenda: Discussion/Action – Approve Purchases for Patsy Drive Waterline Extension

Trustee Kearns made a motion to Approve. Trustee Shearer seconded the motion.

Discussion: There was no discussion of this item.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Item #11 on the Agenda: Approve Extra-Territorial Water Service for 108 Patsy Drive – Debora Strader

Trustee Kearns made a motion to Approve. Trustee Shearer seconded the motion.

Discussion: There was no discussion of this item

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Item #12 on the Agenda: Discussion – Approve Resolution 2022-23 Holiday Calendar

Trustee Fraley made a motion to Approve. Trustee Hair seconded the motion.

Discussion: There was no discussion of this item

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Item #13 on the Agenda: Discussion – Discussion/Action – Approve Security Features for Village Hall

Trustee Shearer made a motion to Approve. Trustee Fraley seconded the motion.

Discussion: Al Cavazos explained this includes installing 2 doors, a security window, securing and locking doors from the inside and lowering the ceiling in the court/meeting room. Trustee Kearns said he understands the need with the changes in society but it has been nice to be able to walk in. The amount was said to be about \$11,000.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

The amount was corrected to be \$17,000 including the window.

Item #14 on the Agenda: Discussion/Action – Executive Session Pursuant to the Open Meetings Act:

Discussion of all Threatened and/or Pending Litigation, Section 10-15-1, Subparagraph (H)(7).

Trustee Shearer made a motion to go into executive session pursuant to Section 10-15-1 for the purpose of threatened or pending litigation. Trustee Hair seconded the motion.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Trustee Kearns made a motion to close the executive session. Trustee Fraley seconded the motion.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Trustee Fraley made a motion to come back into regular session. Trustee Kearns seconded the motion.

Roll Call: Trustee Shearer – yes, Trustee Kearns – yes, Trustee Fraley – yes, Trustee Hair – yes

Trustee Hair attested that everything discussed in the closed meeting was limited to pending litigation. No action is being taken as a result of the executive session.

ADJOURNMENT:

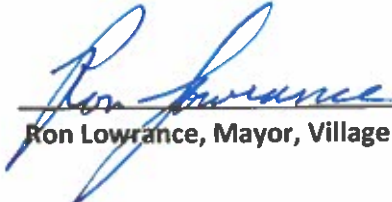
Trustee Shearer made a motion to Adjourn. Trustee Fraley seconded the motion.

Roll Call: All were in favor, the motion carried.

Mayor Lowrance adjourned the meeting at 8:05 PM.

Attest:


Al Cavazos, Village Clerk


Ron Lowrance, Mayor, Village of Capitán

**VILLAGE OF CAPITAN
SIGN IN SHEET
REGULAR MEETING
NOVEMBER 8, 2022
6:00 PM**

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