Las Cruces Utilities
Minutes of the Regular Meeting on
Thursday, March 12, 2020
3:00 pm
Utilities Board Room 225

Board Members Present
William Little, Chairman
Ed Archuleta, Vice-Chairman
Johana Bencomo, Commissioner
Jim Carmichael, Commissioner
Dr. Harry Johnson, Commissioner

Board Members Absent:
Steven Baumgarn, Commissioner
Gill Sorg, Commissioner

Ex-Officio Members Present:
William F. Studer, Jr., Assistant City Manager
Jorge A. Garcia, Utilities Director

City Staff Present:
Robert Cabello, Sr. Assistant City Attorney
Carl Clark, Deputy Director
   Environmental/technical Support
Rhonda Diaz, Water Conservation Program Coordinator
Jeff Dillard, Business Systems Analyst
Chase Johnson, Customer Central Supervisor
Lucio Garcia, Deputy Director Natural Gas
Charlene Gomez, Business Systems Analyst
Robin Lawrence, Deputy Director Solid Waste
John Mrozek, Deputy Director Wastewater
Jose Provencio, Deputy Director Business Services
Mario Puentes, Gas Business Analyst
Peggy Risner, Administrative Assistant
Domonique Rodriguez, Rate and Economic Analysis Manager
Joshua Rosenblatt, Regulatory Environmental Analyst
Alma Ruiz, Senior Officer Manager
James Stafford, Management Analyst
Victoria Strouse, Office Assistant Senior
Steven Valdez, Billing and Receivables Supervisor
Delilah Walsh, Assistant Utilities Director
Adrienne Widmer, Deputy Director Water

Others:
Becky Baum, RC Creations, LLC
Cassie McClure, Public Outreach Consultant

Chair Little called the regular meeting to order at approximately 2:45 p.m.

1. **Conflict of Interest:**
   Chair Little: The first order of business is to inquire of the Board and of staff if anyone present has any Conflict of Interest with any item on the agenda.
   
   There were none.

2. **Acceptance of Agenda:**
   Chair Little: Next item is the Acceptance of Agenda. Motion to approve.
   
   Carmichael: Moved.
Bencomo: Second.

Chair Little: Thank you. Any additions or corrections to the Agenda? Well, I'm going to have to ask the name of our newest Board Member.

Dr. Garcia: Johanna Bencomo.

Commissioner Bencomo - Aye; Commissioner Carmichael - Aye; Commissioner Archuleta - Aye; Commissioner Johnson - Aye; and Chair Little - Aye; Commissioner Baumgarn - Absent, Commissioner Sorg - Absent.

The Agenda was Accepted Unanimously 5-0.

3. *Acceptance of Minutes:*
   *a. Work Session from February 13, 2020*
   *b. Regular Meeting on February 13, 2020*

The Minutes were Approved Unanimously 5-0.

4. **Public Participation:**
   Chair Little: Next item is Public Participation. Are there members of the public present that would care to be heard? Seeing none.

There was none.

5. **Administrative Report**
   Chair Little: The next item is the Administrative Report.

Provencio: Good afternoon Chairman, Commissioners. Jose Provencio, Deputy Director of Business Services. Give you some updates, ongoing in Business Services functions. First off in the Customer Service area provided an update in terms of customer use or utilization of our East Mesa office. Since we put this into operation, we've seen a steady increase in customers using this remote, well not remote, but this location on the East Mesa to conduct all services that are conducted and consummated at City Hall. As time goes on, it looks like customers are utilizing this remote office.

An update on the activity that occurs every March. This is the time that the billing system is reviewed, and customers are reclassified through the appropriate classification based on their consumption. This occurs for both Gas, Water, and Wastewater, and this is reviews of 12-month history of the consumption and re-categorize small commercial customers to large, large to industrial and vice versa. This is conducted every year to make sure the customers are placed in the correct class Cost of Service. We also update the winter quarter average for the next 12 months, for the next billing year for sewer service and sewer volume and that's determined by the winter quarter average of the potable water used in the months of December, January, and
February. With that update, customers are being billed in the correct manner and the correct volumes for sewer billing.

Next item is an update with February report with respect to Utility Assistance Programs and the numbers and the metrics that customers have come in for the assistance at City Hall. The numbers speak for themselves and they've pretty much, there's always a constant outreach in terms of getting customers and getting the assistance they need in one form or another. We look at the more focused program which is the Utility Bill Pay assistance administered by Casa de Pellegrinos. We are on track in terms of getting assistance out to those customers that need the help and the slide here on the pie chart gives you a status check as to where and the amount available funds left for this program. I stand by for any questions you may have before I go on to the next item.

Chair Little: Seeing none. Thank you.

Bencomo: Mr. Chair.

Chair Little: Go ahead.

Bencomo: I actually do have a question.

Chair Little: Go ahead.

Bencomo: I need this. I just have, you know the recent public health concern in our communities and wondering if we're prepared to see an uptick in these requests for payment later of people's utilities bills given that people are taking time off work and those kinds of things. Is that something you've discussed?

Provencio: Chairman, Commissioner Bencomo. We've gone through this earlier in the year when there was a furlough of federal employees.

Bencomo: Yes.

Provencio: We're taking the same approach and the same process. As customers are faced with difficulty in paying their utility bills, most of the time it's an issue of they don't have, or they're not being paid because they're sick. We place those customers that call, our receivables section and we set a special condition on the account and work out a payment plan once things have been resolved or the worst has been put behind everybody. This will be further discussed in other venues, but we've had experience with that, and we are preparing ourselves for the same type of challenge as this Coronavirus is causing.

Bencomo: Yes, thank you very much.

Chair Little: Okay. Go ahead.
Provencio: Thank you. Presentation for the Second Quarter Financial and Budget review. The focus here is again what's our performance with respect to the budget. The first slide always presents the birds eye view of actual revenues and expenditures year to date between this year and last year. As I forward to the detail, by functional utility, we have the Gas utility financial and budget report reporting the usual position in their seasonal operation. Both revenues and expenses are not reflective of the peak operating season so that will probably be reflected in the next quarter. However, in terms of the budget performance all is well as would be expected at this point in time in the season. We're still seeing the benefits of very favorable commodity cost in gas. That will probably more than likely see itself up when we look at the third quarter review.

On the performance for Water, with respect to the budget performance and the projections and the actuals coming in, on the revenue side what we're starting to see is the prime benefits of the rate increase and some growth coming into the City. For budget purposes on the budget for revenue it's slightly above what we targeted, and on the expenses the Utility is doing a good job of managing in what we're seeing their expenses.

Wastewater pretty much demonstrates the same performance level in terms of revenue and on the expenses. At the midpoint, it's very close to the 50% expected for both revenue and expenses. We'll continue reviewing their performance. However, there's nothing, what is happening here for Wastewater is expected performance with respect to the budget.

Solid Waste in terms of their revenue and expenses. On the revenues, again the revenues are a little bit above budgeted projection. Mainly some of the good growth that we've experienced here in the City. The expense levels were also reflecting good management, good oversight of operating expenses.

For Shared Services it's a little bit below the projected level of expenditures given the vacancies and timing of some expenses. We're all working diligently to fill positions as they become vacant. With the Shared Services presentation that wraps up the Second Quarter Review for the Utility. I stand by for any questions you may have.


Provencio: Yes Sir.

Dr. Garcia: Ms. Rodriguez, the next item.

Rodriguez: Mr. Chairman, Commissioners. My name is Domonique Rodriguez. I will be talking to you today about the Water/Wastewater Revenue Requirement Review. This is a snapshot of revenues from Water and Wastewater. This is part of our PEAK Performance Measures, and that is to bring this forth to the Utilities Board during our budgeting process. After this presentation I can
provide more information at the next Utility Board meeting or at the end of the fiscal year. I will need guidance from the Board as to what you would like to see at that time.

This slide shows a graph of Water revenues. The dark blue bar represents the revenues that were actually collected in Water from December 2018 through November 2019. The light blue bar represents the revenues that were projected by the consultant during the Water Rate Review. This graph shows that we have collected $13,787.00 more than what was projected during Rate Review.

Carmichael: That's amazing. It is.

Rodriguez: The next slide is for Wastewater. Again, the dark green shows what is actually collected in Wastewater during the same time period which is December 2018 through November 2019. The light green represents the revenues that were projected by the consultant during the Wastewater Rate Review. This graph shows that we have yet to collect all of the revenues and that we are short $222,703.00, but the Wastewater rates were implemented in May, so this includes some old rate revenue. We do anticipate that by the end of the fiscal year we will show that we have met this revenue projection and exceeded it.

The next slides show the Water and Wastewater volume consumed during this same period. First, we'll look at Water. The light blue bar here shows the volume that was billed for in billing units, 6.1 million billing units for fiscal year 2018 and 2019. Then what was billed for the actual revenues that were collected again was 5.9 million billing units, so there was a drop as you can see from the time period before this. The next slide shows the same comparison with Wastewater. I mean light green is the year prior and the dark green is the more current which is again of the same time period from December through November. I will stand for any questions.

Chair Little: Commissioner Carmichael.

Carmichael: What do we attribute the volume drops to in both Water and Wastewater?

Rodriguez: Looking at it we think, there could be a possibility that the higher tier in the Water Rate Design, there is an additional charge so that may have played a role here to where customers that use a lot more water may have seen that shock of the first bill and possibly reduced it, which could be a good indicator of it. There could also be where somebody who has large parcels may have now opted to get a landscape meter and it's now just showing on their residential bill. That's a different charge but it could also be a factor of why it's gone down.

Carmichael: Maybe some of the conservation measures are...

Archuleta: Working out then.
Carmichael: ... starting to work now.

Rodriguez: Possibility, yes.

Archuleta: I have a question.

Chair Little: Go ahead.

Archuleta: Can you show us at the next meeting or whenever it's available the amount of revenue by block? How much we collected by the different blocks that we have and see whether or not maybe in the future more and more customers move out of block three for example. They only go through block two and start to see some of the conservation efforts that might be attributable to a rate increase.

Rodriguez: Okay, so I would request that if we could bring that towards the end of the fiscal year. We will have to work with our Business Systems Analyst to create a report because our billing doesn't give us that information quite easily.

Archuleta: Right.

Rodriguez: We can create reports and we can provide that information later.

Archuleta: At the end of the fiscal year?

Rodriguez: If that's all right with you, yes sir.

Archuleta: Okay, that's fine.

Carmichael: Probably need a little more time to let that settle in.

Chair Little: That's an important measure because that's the reason we instituted those inclining blocks was to give people an opportunity to conserve.

Rodriguez: Correct.

Archuleta: It's also important on the lifeline rate to know how many customers fell within the lifeline rate.

Rodriguez: Yes.

Archuleta: In the future time to get to compare that information from year to year assuming we keep the same block structure.

Rodriguez: Okay. Yes sir.
Dr. Garcia: If I may Mr. Chairman. Since we don't have Rete Reports I guess yes if you give us enough time we can create a report but once we create the report we can use it moving forward. We would appreciate the time towards, because it will be a lot of effort to do that given our Munis system.

On another comment is Mr. Provencio and I were discussing this morning when we were going over the presentation is you already can see the results of the larger access charge, right.

Archuleta: Right.

Dr. Garcia: Our revenues are much more stable already because even though there was a decrease right there with conservation, we still did pretty good.

Archuleta: Right.

Dr. Garcia: It's because of that access charge. It's working, and it was good that you all approved that because that's a much healthier rate design and you already see the results.

Carmichael: It's a very good point.

Chair Little: Anything else? With that one request and it's probably worth waiting until June or even July to begin seeing that but it's important and it will be more important a year from now.

Dr. Garcia: Yes.

Rodriguez: Mr. Chairman. Yes, we'll bring that for you.

Chair Little: All right, thank you.

Dr. Garcia: Ms. Walsh. Next item.

Chair Little: Now one last.

Dr. Garcia: You have another question?

Chair Little: You said you wanted guidance from us.

Rodriguez: If the information that I provided was sufficient since this is our really first time looking at the review of the revenues during the budgeting process.

Chair Little: Okay. The guidance to break it down is what you were looking for. All right. Thank you.

Rodriguez: That is correct. You're welcome.
Walsh: Hello Commissioners. Again, Delilah Walsh, Assistant Utilities Director. I'll be updating you on our HR activity report. We did increase between February and March by two vacancies. One of those vacancies however is good news. Ashton Gregory was an OAS at Wastewater and she's actually now one of our newest internship program participants. We're very excited to have moved Ashton from that position into the Water Technology Program at Doña Ana Community College and as one of our interns so that was good news. We had our treatment plant crew leader resigned and we did post that position for filling; that was the second vacancy.

We have seen a lot of movement again in Water but most of them have been promotions. You don't see a net change but there has been a lot of activity to fill positions. However, once we promote an employee it opens up a lower position so you're not seeing a net change. Of the 11 positions open in Gas, six of them are just waiting on completion of interviews so they're going to be hired very soon here. That's big progress for Gas.

As mentioned last month, any positions we have opened for more than a year have been reclassified and addressed so that's going to help us with the amount of time it takes us in the hiring process. As I shared last month the weeks in process is somewhat misleading only because as we have promotions we fill a position but then a lower position opens up and so it can be a little bit misleading. However, our numbers are looking better internally, meaning we're filling our higher level positions and allowing us to bring in new employees. Regarding the work stoppage, we have 58% of the work stoppage is still in Human Resources. The good news between February/March is the 7% that are inflow that means employees are actually being onboarded. We don't count them until an actual human being or as I've said any being, any kind of being shows up for work that day, so that's why we mark them as inflow. Until they're actually here we don't count them on our numbers as filling a vacancy.

Last month I did report we wanted a five or less vacancies by the end of FY2021. I have increased that to seven as our new goal. The only reason is we have seven PAQ's actually sitting with HR now and until they're approved and those changes are approved I can't put them as posted for hiring. We're sort of in limbo until those approvals happen. We know at least seven may or may not be filled by the end of the fiscal year. We are creating a new temporary positions report. I'm still refining this. As I mentioned before temps are in flux and I have to find a really good way to track it in order to convert those positions to regular FTE's in future fiscal years.

We've also resolved all our FTE counts with the budget office. If you looked at last year's budget books we actually have three different numbers of FTE's within the same budget book, so we found where those errors were, we resolved them with the budget office. I can tell you with all assurance we have 309.2 budgeted FTE's. That's what we had budgeted last year or FY2020, and that's what we have budgeted for FY2021.
I am still working on the overtime report that Commissioner Archuleta had requested be part of this report in the future. I do have all the data but my understanding is the Board wants to see the impact of our vacancies on to overtime. Because we have a lot of different flux within the overtime system; meaning that it could be impacted by things like emergencies, it could be impacted by unforeseen circumstances, it's also seasonal meaning we have more overtime in Water during the summer and more overtime in Gas during the winter. I want to make sure whatever analysis I do that it's quantitative and it actually does show the true impact of vacancy versus overtime. I don't want to just give you numbers and assume there's some sort of analysis in there. I want to do a good regression analysis and quantitative analysis. It'll take me a little bit of time to get that to you.

I have met with our union leadership regarding the apprenticeship programs and we do have some challenges simply because LCU is a maintenance system. Our journeyman, our electricians, our plumbers they maintain a system that already exists, they don't necessarily construct it. We do construction projects. They're limited and they don't give enough hours for a journeyman to move into their full plumbing license or their full electrical license so we are working with CID and with the licensing bureau and with our union. We're going to have to get really creative on how we can work with private industry as well as the Utility to partner and get those people into the system in order to finish apprenticeships.

We're also coordinating with NMSU and DACC. Our Deputy Directors and myself had a really good sit down with DACC and we may be able to expand our internship program to include some positions in Gas. That means we could maybe be able to exploit some of their welders, not exploit but take advantage of the welding program as well as the plumbing program. As you know pipe fitters, I've pretty much told you that every month during the Gas industry that pipe fitters is a tough, tough position to fill but we're hoping when Lucio meets with DACC we can get some students into our pipeline in order to add them to the internship program.

I've also done the analysis on the longevity and potential retirees. I still need to do a full review of what internal audit did for us a few years ago on our succession planning. What I mean by this is I looked at the longevity initially and I'm only looking at the years of service our current employees have with the City of Las Cruces. If they worked for the City of Rio Rancho or if they worked for Doña Ana County in a prior life, a prior career I don't have those numbers towards their PARA accounts. However, just looking at our internal staff over 9%, almost close to 10% of our staff has over 20 years of employment just with the City of Las Cruces, so that tells us they're nearing retirement. That means we have 25 full time employees with an amazing amount of knowledge who are going to leave us within the next five years or so. In reality we actually have 15 employees just based on City of Las Cruces service who are eligible to retire by next year and that's a significant number for us. Nine of our employees are actually eligible in June and so we've actually
seen two more retirements prior to June that are hitting that eligibility level. We've really got to keep that in mind.

If you think about 10 employees in a utility with 309.2 FTE's it doesn't seem like too big of a percentage but when you add that to 45 vacancies that means we have 55 potential vacancies within the Utility should our employees choose to retire. Looking in those terms, succession planning is incredibly important especially because those employees with the 20 plus years of service have the 20 plus years of knowledge and experience. One of our new connection supervisors is in that category and the job he does is way more efficient and way better quality than it's going to be for a one year employee and so that's what we have to realize is we're going to lose that quality of experience. Any questions on HR activities?

Carmichael: Just.

Chair Little: Go ahead.

Carmichael: Just a comment. The important thing is you're starting to really look and dig into all the data and the limitations and so forth. We may not be able to accomplish everything that we want to accomplish but the important thing is that we're looking at all those issues. Like on the temporary positions, some of those obviously make good sense where you've got seasonal kinds of things, and I don't know how you play that into a temporary position report. That becomes a little difficult because you do have seasonal issues that make sense to use the temporaries.

Walsh: Absolutely.

Carmichael: Just want to point that out. Thank you.

Walsh: Commissioner Carmichael. That's exactly what I want to achieve at the end of that is to have reporting that's useable, that actually helps us meet our objectives and not just give us data and information.

Carmichael: Thank you.

Chair Little: Anything else? One question.

Walsh: Yes sir.

Chair Little: Given that you've identified folks who will be eligible to walk out the door, how many of those people, for how many of those people have you identified an up and coming replacement?

Walsh: Mr. Chairman. I'm so glad you asked that question. Actually Dr. Garcia and I during our one-on-one earlier this week went through the list and had that conversation. I'll be sitting with the Deputy Directors of the effective lines of
business and asking that exact question. What is your succession plan, who would take over should this individual decide, I'm good, I hit more than 25 years and I need to go. That was the exact conversation we had earlier in the week and that's what we'll be doing is coming back with those plans.

Chair Little: Good, thank you.

Walsh: Thank you.

Chair Little: I'm comforted. Go ahead.

Walsh: I'm not.

Carmichael: I don't know if this is the place to say this or not but everything you're doing here is not nearly as complex an issue but this Board, some of us are not too young anymore or eligible for retirement too. At some point we might want to think about what our plans are there.

Chair Little: Actually, we have been or I have been.

Carmichael: Good.

Chair Little: As the situation ripens I will tell you what the short term plans are.

Carmichael: Thank you.

Chair Little: We're waiting for the Mayor.

Carmichael: All right. Thanks.

Walsh: Thank you.

Dr. Garcia: Mr. Chairman. Regarding the litigation, the attorneys have informed us that there's Special Master Status Conference towards the end of March so Mr. Stein will be attending. We'll see what, we haven't had any actions since last April but maybe the Status Conference will tell us more and if it's something we need to report to you we'll bring it to you. That's on the Texas v. New Mexico. I believe that they will participate either by conference or, since the judge is from Iowa, then some of them may have to travel to Iowa to attend the Conference.

Regarding the Griggs Walnut, I believe that in the next, this week or earlier next week there will be the Consent Decree approved in Executive Session by the Doña Ana County Commission and City Council should go to the judge. Once the judge agrees with that it will be posted on the federal register for 30 days. At that point it's public and I can bring you all the details of the settlement. We think it's a good settlement. It's fair and it's going to give us the opportunity to leave behind the past costs and other encumbrances and
move forward with the project and have more autonomy in managing that cleanup project. We think it's a good deal. Hopefully there's not going to be anything in the public comment that will make the judge change it. That's always possible. We don't think so. Now again, this is the settlement just with the federal agencies. There's still litigation between the City and County and a couple of the private owners of property where there was a dry cleaners before downtown and we haven't settled with them yet. This will take the guard, EPA, and DOJ out of it. Of course we are still under the jurisdiction of EPA for compliance but in terms of the litigation it would settle that. I think it's a good settlement and we're hoping that it goes public and there's nothing that changes.

Chair Little: Okay, thank you. Questions?

Dr. Garcia: More to come next month.

Chair Little: Questions?

Carmichael: Stay by.

Chair Little: Let me return to the longevity issue. I didn't really mean to be coy. What I have done during the time that I've been Chair is look at the terms of service of the various Members of the Board and a couple three months before their term is up I've approached each one of them and asked whether or not they desire to continue or be replaced. At the present time you will notice that the Utility is advertising for a new Member of the Utilities Board so there will be a new person found and inaugurated this summer. That's been my practice when I have been Chair and I would trust that whoever was the Chair would keep that up so that any time that a Board Member does reach the end of their current term they're given an opportunity to soberly reflect on their desire to continue. In general it's a good thing to have folks stay on the Board just for corporate knowledge. By the same token as you've noticed some of us are getting older and will decide that we've had enough and so that there will be fresh blood from time to time. Then of course the two Members that are appointed from the City Council will be dependent both on their electoral success and the wishes of the Mayor. Does that answer your question a little more elaborately?

Carmichael: Thank you.

Chair Little: Thank you. Okay, next.

Dr. Garcia: Mr. Clark.

Clark: Thank you Chairman, Commissioners. I'm here to give you the March 2020 projects update. The projects that I have for you are the Talavera 8-Inch Steel High-Pressure Gas Extension, the Sandhill Sewer Interceptor Phase I, and the Airport Booster Station Improvements.
The first project is the Talavera 8-Inch High-Pressure Gas Extension. The contractor for this project is DuCross Construction with a contract cost of $1.5 million. The contract time is 245 working days. They started this project back in March 4, 2019 with an estimated completion of March 30, 2020. Currently the contract's under suspension while the hydrostatic pressure testing is being completed. The percent complete in regards to the project is 93% in regards to construction and 93% in regards to payment. Basically the contractor's completed the installation of 13,750 lineal feet of steel High-Pressure pipeline. As I stated the hydrostatic pressure testing is going on at this time. We expect to be completed with it March 13, 2020.

Approximately 120 linear feet of steel High-Pressure pipeline is remaining to be connected. That's already put together separate and so when this hydrostatic test is complete, those two pieces will be joined together. Pending items for the contractor really is the reinstallation of signs along Dripping Springs and restoration of grades and reseeding of the project area. That's always part of our efforts in the end to reseed the area we disturbed.

I installed a couple of photos there. The upper right photo is the dry pigging process. The drying of the interior pipe of water moisture that's in the pipe. As you can see it got pretty dry after it was pigged several times. Really astounding how much dust came out of there. Then the lower right photo is the removal of the pig out of the pig catcher is what we call that device, a pig-catcher. You can see some of the pigs on the upper right photo in the very top left there's those pigs after they've been run through. Yes, they are pretty dirty so maybe that's why they come up with the word pig. I'm not really sure how that came to term but that's my thought.

Basically like I said it's under hydrostatic pressure testing right now and once that gets completed which we expect to be done soon we'll move forward with piecing the two together and then completing the rest of the pipeline into the reg station facility that's already constructed. I have the rock walls completed and we just need, operations will install the reg stations and then purging will continue. They'll purge the air out of it and install the natural gas all the way up to the reg station. At that point that project is complete, and it'll be ready for the low pressure site because the reg station will be charged and then we can continue to move forward with our low pressure projects that I brought to you earlier in the CIP. Any questions in regards to this project?

The next project, and this is the overall photo of the Sandhill Sewer Interceptor Phase I. The dark green line is what's been completed. The light green line underneath is the remaining portions. I just kind of want to show you where it runs through that arroyo, the Sandhill arroyo. The contractor is Timberland Construction. The contract cost for this project was $1.2 million. Contract time was 99 working days, original contract time 75 working days was increased and talk about those changes. The start date was September 9, 2019 with an estimated completion of April 1, 2020. There were several rain days that were
added, as you know it's been a wet winter, that was added to the project. There was also some delays early on in the project trying to locate the line. I expressed that to you earlier and there was a lot of dirt that the contractor had to move just to accommodate that. Then we also found the Doña Ana mutual domestic (inaudible) main that showed up in the trench so we had to deal with that issue as well.

The contractor's 80% complete in regards to construction and 65% in regards to payment. We push them as hard as we can to keep up with his billing so he can get paid and this is where we're at with it. I don't have an explanation on that. We ask and ask. Approximately 8,700 lineal feet of 15-inch sewer has been installed, 21 manholes have been completed, and then all the steel casing under Lavender Drive, Elks Drive, and I-25 they've all been installed. You can see this lower right photo of the large line that went across I-25 and the silver thing is the spacer that's installed in the pipe joint as it's pushed through the casing so that keeps the pipe itself in the middle of the casing and holds it and suspends it in there. Upper right photo is the installation of the sewer interceptor itself in the trench. There are a few portions that are pretty deep, we're past those. The contractor's doing some back up compacting and some touch up on manholes that he needs to do, and then he has his final tie-ins to the tie-in point down below where it ties into the existing interceptor. That's all that remains of the project. Any questions on this?

Archuleta: I have a question. Carl. When do you expect to bid Phase II?

Clark: Chairman, Commissioners. I believe we'll probably see that one bidding here maybe in the next month or two. If I still have the budget set to do that then I can go ahead and bid it and then we'll go to construction in the new fiscal year is when I anticipate. It's ready to go, we're ready for that project and as I stated it's in the CIP for next fiscal so until I have all the money there I can't really do anything until I have all the budget there. I'd love to bid it right now and get it ready and just sit there and wait so we can just let it but I can't just do that right now.

Archuleta: I thought maybe since it was Impact Fee money because you could go ahead with it. No?

Clark: Just because the fund doesn't have enough money in that fund to push it forward out for bidding. Purchasing likes us to have all the money there that we anticipate that we're going to need when we bid it, so that way we don't cause any delays and have anybody do extra work if we don't have to.

Dr. Garcia: Let me clarify something Mr. Chairman. Commissioner Archuleta brought Impact Fee money. The Impact Fee projects, develop projects are also part of a debt and what we use the Impact Fee for is for Debt Service, so we allocate the Debt Service to development. Because rarely you have that, we don't like to wait until you have, let's say $2 million of Impact Fees so then cash roll the whole thing.
Archuleta: Right.

Dr. Garcia: It's part of the Debt Service. If we issue bonds it would be a portion that the Debt Service gets paid with Impact Fees and that goes to development.

Archuleta: Okay, I understand.

Clark: The next project is the Airport Booster Station Improvements. We had talked about why it was important to get this Booster Station and identified in the CIP that we want to inspect that pedestal tank so this project was much needed. The contractor is Diamond Construction with a contract cost of $647,000.00. They had a contract time of 208 workdays; that included delivery of the skid. The start date was April 23, 2019 with an estimated completion of April 2, 2020. They've been given a time extension due to some unanticipated pressure sensors that needed repair and calibration that a couple of them were actual existing ones that we were using so they had to get repaired and recalibrated. That was picked up when we were doing some of our testing. Percent complete is 95% in regards to construction and 80% in regards to payment.

Basically the Booster Station's already in place. The SCADA connection and the Booster startup was held on March 5, 2020. With that startup we had some minor mechanical issues and some programing issues that needed to be resolved. The upper right photo is the Emerson Representative working with our SCADA program. Actually that's my, actually SCADA supervisor. He is the one, one of the ones that's retiring. Been with the City over 26 years and so we're losing a big knowledge base but I have confidence in the staff that he's had, that have trained underneath him that they can pick up that slack. You can see Tony working with Emerson there. There were some startup issues with the actual program itself and they're correcting that issue. Down below is JCH, Mark Snyder with JCH; he kind of runs it. Relieving the pumps of air in the system. He is theirs, I believe he's an electrical engineer but he does a lot of work. He's been doing a lot of work for JCH for a number of years now and so he's pretty much an expert and our go to person when we have issues with any of the pump positions that we have. As you can see they're on top of it trying to get that system back in line and get it up and going. I believe we are going to get ready to test it again here soon. I think probably as early as Monday and run it again and see how we do with that system. Any questions?

Chair Little: No questions. Thank you.

Clark: Thank you.

6. **Resolutions for Discussion:**

6a. **Resolution 19-20-061:**

Dr. Garcia: Ready for resolutions Mr. Chairman.
Chair Little: Thank you. Each one of these resolutions is pretty wordy so I’m going to take a deep breath ahead of time. First resolution is Resolution 19-20-061: A Resolution Awarding the Gas Meter Conversion Project for Services as Proposed in the Response to the City of Las Cruces Invitation to Bid 19-20-061 to Three (3) Contractors in the Amount Not to Exceed $1,187,734.38 Including New Mexico Gross Receipts Tax, for One (1) Year Term, Effective March 20, 2020, - March 19, 2021, with the Option for a One (1) Year Renewable Option to be Exercised at the Discretion of the City of Las Cruces, Upon Mutual Written Consent Subject to Approved Budget Appropriation and Annual Service Agreement Renewal. Motion to approve.

Johnson: So moved.

Chair Little: Thank you. A second?

Archuleta: Second.

Chair Little: Discussion.

Garcia: Good afternoon Chairman, Commissioners. Lucio Garcia, Deputy Director of Gas. The resolution 19-20-061 is for the gas meter conversion. A brief history on this, this is a project that was put together for two reasons; one was the time required to replace 45 meters; and number two is to align the old technology with the new technology. Somewhat similar to what current project with Johnson Controls Incorporated. Well they are only installing the ERT which is Electronic Register Transmitter. What we’re doing is taking the old meters which they would have put an ERT in that we would’ve had to replace anyway so we’re just changing out the meters. We identified 4,500 of them.

The initial invitation to bid was listed in October when we had estimated a total cost of $350.00 per unit cost and that’s how the invitation to bid was structured. With that the total budget was about $1.575 million. We received five respondents to our bid of which three after review we selected and the ones that we are recommending for approval are Hydra Plumbing Mechanical of Las Cruces, New Mexico and all these are under amount not to exceed and they include gross receipts tax and his was, theirs was for $300,025.63. The second plumbing contractor is RJR Enterprises, LLC doing business as Lucero and Sons Plumbing, Heating, and Cooling of Mesilla, New Mexico and that contract service agreement amount is $356,977.50. The third one is Maddox Plumbing Incorporated of Las Cruces, New Mexico in the amount not to exceed $530,731.25.

The services to be provided under this contract is to provide the conversion of the meters from the old technology to the new technology and the way we structured the bid if you look at the meter set that we have set up here on the far right of the room, the meter is provided by the City of Las Cruces for delivery to the jobsite and they’ll replace that so they’ll disconnect the old, install the new. What you see in yellow is what’s referred to in the invitation
to bid is a lot item so if there's any atmospheric corrosion or any anomalies with piping, the spacings are different, instead of just replacing an elbow they'll replace what we call a lot so we're not tracking elbows or nipples. That is the extent of the project and the invitation to bid is on the attachment there. I'll stand for any questions.

Chair Little: Any questions? First of all, Commissioner Carmichael.

Carmichael: This has nothing to do with the performance contract, right?

Garcia: No sir.

Carmichael: Okay, thank you.

Chair Little: Commissioner Johnson.

Johnson: Yes, five people bid, three of them were more within the guidelines and we selected them but there seems, there's a fairly large difference in the dollar amounts to the three, particularly the third one's quite a bit more than the other two. What I'm curious is what caused that difference? You don't simply divide the total amount by three and each one has a similar amount. Is it based on where they're doing it or how did that come about?

Garcia: The only criteria that was provided to them was the unit cost and the type of meter that would be replaced.

Johnson: Okay.

Garcia: In addition to that the wage determination was to provide to them because scale rates weight over 60,000 and the other (inaudible 59:41) magnitude a quantity was provided. We came up with an estimated cost working of $350.00 per unit cost. The lower three were, for example Hydra Plumbing Mechanical is $138.50 per unit; RJR was $165.00; and Maddox was $245. If I understand your question correctly, why the difference I really don't know other than personnel, the way they dress, the way they're equipped, all three are local. I can give you the other two prices. The other one came in at $333.00 which was also under the $350.00 and then the fifth one came in at $375.00.

Chair Little: I think the question was what, given the, especially given the spread, why didn't one firm receive the whole 4,500?

Garcia: I'm sorry, yes sir. One item that we took into consideration was when we're hiring a local contractors and we solicited it in a faction that we would believe that they could handle the entire project in a certain time frame. We selected three of the lower bids was the intent when we did that to ensure that we could have three contractors (inaudible 1:01:08) to divide that into. Historically I know we had a contract once where we had one contractor apply for a contract
and he wasn't able to meet the needs in the time frame that we had so we went with three and we stand for recommendations of the Board.

Dr. Garcia: If I may add, Mr. Chairman. Once we open bids and if the bid had 1,500 meters we cannot change or negotiate that. The Board has an option if we selected the three that are lower and two of them are quite a bit lower than our own estimate, we cannot assure you that any of those would have the capacity for 4,500. If we had done a traditional bid with one lowest bidder because there's quite a few meters that we want to get going pretty quick because these meter's are being read manually right now because they're not in the system so the sooner we do it the sooner we can standardize everything on the AMI. There were reasons that that we said "well let's select several and let's go with the lowest" but you have the option if you think that we should go with the lowest two then we either have to do a change order or rebid the additional 1,500 that we need to do and I cannot guarantee you that it will come up at the same price.

Chair Little: Okay, so you asked for bids of 1,500.

Dr. Garcia: Correct.

Chair Little: Okay.

Dr. Garcia: Contractors see or the highest may have a lot of work and they may have to hire additional personnel. I don't know. The other, the lowest two may not have enough. We don't know that and that is not part of our criteria so once we open the bids we either award or we don't award.

Chair Little: Okay, so the RFP was structured that way.

Johnson: Each one was responding to a third, whatever one.

Dr. Garcia: 1,500 meters.

Johnson: 1,500 meters and we didn't give them any option to bid a larger amount or anything like that and anything that we would do would have to go back and see if they can give us the same price for 3,000.

Dr. Garcia: That's correct. Mr. Chairman, Commissioner Johnson. Let's say we finish the 4,500 that are critical and if we have additional meters then we can bring to the Board an additional 100, 200, or 500 with the lowest bidder if they're willing to do it at the same price. I cannot assure you that that's even possible because we bid it with 1,500 meters.

Johnson: Okay.

Chair Little: Okay, so.
Archuleta: That's a lot of money.

Chair Little: Yes.

Bencomo: Mr. Chair.

Chair Little: Go ahead.

Bencomo: Just for my clarification, these three different companies are doing the same job essentially just different *(inaudible 1:04:24)*.

Garcia: Yes. Exact same job.

Bencomo: Can you walk me through what made you decide? You said there was two that you didn't end up choosing, right, from the finalists.

Garcia: There were five respondents, yes.

Bencomo: Five respondents and you didn't go with two. What was the reason for the two given that the prices you just listed are lower than one of these? No?

Garcia: I'm sorry. Let me clarify.

Bencomo: Okay.

Garcia: There were five respondents and we initially had estimated $350.00 per unit.

Bencomo: Okay.

Garcia: The way the bid was structured was per unit price for 1,500. The only criteria on the invitation to bid is price. It wasn't structured on the RFP where it based on other items that you would wait for that determination.

Bencomo: Got you.

Garcia: The other two that weren't selected were higher per unit cost.

Bencomo: Okay, thank you.

Chair Little: Okay, other comments or questions?

Archuleta: Normally you would only do this if you had an emergency. Is this an emergency?

Dr. Garcia: Mr. Chairman. I don't know that it's an emergency but it's urgent that we finish this AMI project because we're still reading manually while in the Water we're reading automatically. Let me elaborate a little bit what Lucio said, we remove these meters from the Johnson Controls contract. First of all, Johnson Controls
does not do Gas work, Gas replacement work. All they did is replace that (taps meter) in the meters that were compatible. Out of the 42,000 4,500 were not compatible and needed replacement. Now that we have to remove and do a separate contract but this integrates with the AMI project obviously because right now 4,500 meters are read manually. It's not an emergency of customers not having service or something like that so I don't want to call it an emergency.

Archuleta: Is there a time frame they have to do this?

Garcia: The time frame that we set forth in the contract was based on the quantity per week. I believe it was 100 per week and I don't recall the time frame. I believe it was three months.

Dr. Garcia: Yes.

Archuleta: Okay. It might've taken a single contract or maybe nine months to do all the work.

Dr. Garcia: Correct.

Garcia: Depending on the workforce that we have.

Archuleta: All right, okay. I understand.

Chair Little: Okay, any other questions or discussion? Before we vote, it would appear that the Board was somewhat surprised and perhaps disappointed that the bid was not structured in a more flexible manner and you might take that into account as you go forward with other procurements.

Garcia: Yes sir.

Chair Little: Since you ended up with such a big spread in terms of unit price. given that are we ready for a vote?

Commissioner Johnson - Aye; Commissioner Carmichael - Aye; Commissioner Archuleta - Aye; Commissioner Bencomo - Aye; and Chair Little - Aye; Commissioner Baumgarn - Absent, Commissioner Sorg - Absent.

The motion was Unanimously Approved 5-0.

6b. Resolution 19-20-063A:
Chair Little: The next resolution is Resolution 19-20-063A: A Resolution to Award Contracts for Hydrology, Hydrogeology, and Water Resources Services on an As-Needed Basis to Enprotec/Hibbs & Todd, Inc.; John Shomaker & Associates, Inc.; Lee Wilson & Associates, Inc.; and Respec Consulting & Services, LLC., in an Amount Not to Exceed $300,000.00 Annually for Each Firm, for a Period of One (1) Year with Four (4) Additional One (1) Year Terms, Subject to Annual
Renewals and Approved Budget Appropriations (Procurement No. 19-20-063A). Move to approve.

Johnson: So moved.

Chair Little: Thank you. A second?

Carmichael: Second.

Chair Little: Thank you. Discussion.

Widmer: Mister Chairman, Commissioners. Adrienne Widmer, Deputy Director for Water. Thank you very much. About every four to five years we bring this particular request in front of you so that we can have hydrology, hydrologists on our on-call list so that we can do specific projects that are very specialized that are explained within the actual resolution and the (inaudible 1:09:13) form. Those are expiring so we are bringing this back in this go around. We did have four proposers actually propose and based on those they were all very, very good and the SAC recommended to go ahead and award for all four. We're quite excited about that that we actually have a larger choice. Not that we have any problems with the ones that we have now but there may be some specialized projects that we would actually like to have other firms work on while our normal firms are working on things already for us. I'll stand for any questions.

Chair Little: These will be task order contracts?

Dr. Garcia: Correct.

Widmer: Mr. Chairman, Commissioners. That is correct.

Chair Little: Other comments or questions?

Archuleta: I have a question.

Chair Little: Go ahead.

Archuleta: Do you have a hydrogeologist or hydrogeologist on board, staff.

Widmer: Mr. Chairman, Commissioners. We do not.

Archuleta: Right. I think it's time for you to have at least one person on board given all the work that we do. This is $900,000.00 and you take a look at the litigation with New Mexico and everything that's going on and what we see in the future with the 40 year plan and what have you. I think it's time that we fund at least one hydrogeologist that could do part of this work or at least be the point person to work with the consultants that are hired but this is a substantial
amount of effort I think. I think it's time for this Utility to have somebody on board that has that expertise in house. At least one person, maybe two.

Widmer: Mr. Chairman, Commissioner Archuleta. I will pass that on to Dr. Garcia.

Archuleta: Okay.

Dr. Garcia: Mr. Chairman. We've talked about this and I concur with your recommendation. That's something that we need to look and with the positions we have and vacancies we've talked about it and there were recommendations in the past about that.

Archuleta: Right.

Dr. Garcia: I want to clarify however that this is a not to exceed amount. The budget does not have $900,000.00 for that right now. I want to clarify that. It's a max per firm.

Archuleta: Right.

Dr. Garcia: We're not budgeting for each firm the full amount.

Archuleta: Right.

Dr. Garcia: I want to clarify that. Number two, any project that is over the manager authority, any task order needs to come back to the Board.

Archuleta: Right.

Dr. Garcia: As you award those projects of course we keep a tally of the expenditures but we do concur with the recommendations. Sooner or later we need to, a lot of what we do is wells and whether it's re-drilling the well, diagnosing the problems with the well, reviewing the submittals from the consultants.

Archuleta: The consultants, working with the consultants, right.

Dr. Garcia: Years back I did that work in my junior years because of my training but it's been a long time since I've drilled a well.

Archuleta: I would support that. I would even support that myself as part of a budget amendment for this budget to be frank with you. I think it's that kind of a need and so I know we're not asking for any new people but it looks to me like that's a need that we need to take a look at and I would support it for this budget. That's one of my comments if we can have it. I'm not going to write a memo, I can write a memo I guess if you want to but I'm saying take a look at the possibility of one or two people to be added in the hydrology area.
Dr. Garcia: Mr. Chairman. Let us look and we'll take your comment as sort of a comment on the budget request too.

Archuleta: Right.

Dr. Garcia: If you will. Let us discuss it internally.

Archuleta: Okay.

Dr. Garcia: The reason we didn't ask for new positions is we have 43 vacancies.

Archuleta: Right.

Dr. Garcia: We would first look at are there any positions that are so hard to fill that we can reclassify at least for now? In budget *(inaudible 1:13:09)* the difference between that position and the hydrogeologist. Let us look at that and we'll have, add that to the discussion on the budget next month.

Archuleta: Okay. Thank you so much. I appreciate it.

Chair Little: I would concur with that and strongly reinforce it. Having called myself such an animal, I would gladly see someone like that on staff.

Widmer: Mr. Chairman, Commissioners. Does that mean you will be applying for the position?

Chair Little: Don't tempt me. Any other comments or questions? Ready for a vote.

Commissioner Bencomo - Aye; Commissioner Carmichael - Aye; Commissioner Archuleta - Aye; Commissioner Johnson - Aye; and Chair Little - Aye; Commissioner Baumgarn - Absent, Commissioner Sorg - Absent.

*The motion was Unanimously Approved 5-0.*

**6c. Resolution 19-20-095A:**

Chair Little: Okay. As I say don't tempt me. The next resolution is Resolution 19-20-095A: A Resolution Recommending an Amendment to Resolution 19-20-095 to Correct the Fund Account from the Gas Capital Improvement to the Wastewater Capital Improvement Related to the Engineering Services Contract for the Design and Construction Management of the Jacob A. Hands Wastewater Treatment Facility East Primary Clarifier Rehabilitation Project No. 19-20-095, Awarded to Bohannan Huston, Inc., of Las Cruces, New Mexico, for a Total Award Amount of $287,061.16. Motion to approve.

Johnson: So moved.

Chair Little: Thank you. A second?
Archuleta: Second.

Bencomo: Second.

Chair Little: Thank you. Discussion.

Clark: Not really needed. You gave out very good information as to why we're doing this. Yes, thank you very much.

Carmichael: You got any questions?

Clark: All right. I moved ahead, I'm sorry. That's all I really have. We're just changing accounts, Chairman. We basically, we gave the wrong information on the Resolution is what happened.

Dr. Garcia: If I may.

Clark: We (inaudible 1:15:57) so contracting.

Dr. Garcia: Mr. Chairman. In order to keep the records correct for the City Clerk we need to come back to you and change that because that account is embedded in the resolution.

Chair Little: Okay, thank you.

Dr. Garcia: Yes, that's all it is.

Chair Little: All right. Any other comments or questions? Ready for a vote.

Commissioner Johnson - Aye; Commissioner Carmichael - Aye; Commissioner Archuleta - Aye; Commissioner Bencomo - Aye; and Chair Little - Aye; Commissioner Baumgarn - Absent, Commissioner Sorg - Absent.

The motion was Unanimously Approved 5-0.

6d. Resolution 19-20-LCU017:
Chair Little: Okay, the last resolution is Resolution 19-20-LCU017: A Resolution Awarding an Engineering Services Contract for the Design of the Jacob A. Hands Wastewater Treatment Facility Ultraviolet Disinfection System, to Molzen Corbin and Associates, Inc., of Las Cruces, New Mexico, for a Total Award Amount of $180,973.30. Move to approve.

Johnson: So moved.

Chair Little: Thank you. A second?

Bencomo: I second.
Chair Little: Thank you. Discussion.

Clark: Thank you Chairman. I talked earlier in regards to the CIP for the construction project. This is the design efforts that we selected Molzen Corbin to perform. They just got done with the primary feeder. They understand the electrical in the plant very well hence we felt was a good price for the engineering services because they understand the system very well and we want to move forward with their design efforts on this so we can get ready to bid that package out as soon as possible.

Chair Little: Okay, thank you. Discussion? Seeing none.

Johnson: Yes.

Chair Little: Go ahead.

Johnson: It's more of a curiosity. You're installing a UV disinfection system to replace the old chlorine system. Is this technology that is widely being changed that way or is this something fairly new that you're trying?

Clark: Chairman, Commissioners. We have this technology at the East Mesa. This is pretty much the standard anymore out there in the industry. It's going to UV disinfection. We will be eliminating the chlorine gas system or else reducing it, actually eliminating it. We just felt that the gas chlorine system was a little bit more problematic or dangerous to handle so we want to try and eliminate that and bring in the UV system which is much safer technology. It's an upgrade to the plant and we think it's the trend that everybody's going in and we think that's where we need to go with as well.

Chair Little: It's much safer.

Clark: Much, much safer.

Johnson: I understand being much safer. I was also thinking because in a previous life where I was at the White Sands test facility we put one in for that ground water remediation project but the UV system has its own problems keeping it running well. At least early on the system was down more often than we had anticipated it would be and I would think in this sort of use the system being down would be a heck of a problem very quickly. That's why I was asking if this is, technology is 10 or 15 years better than my previous experience had been.

Archuleta: It's been around now for at least 20 years where a lot of utilities all over the world are using UV and I think any problems if they have not occurred in the past with the systems have been rectified. It's very, very efficient in my opinion and very reliable.

Johnson: That's why I was trying to get some feeling.
Archuleta: Very reliable.

Dr. Garcia: If I may add Mr. Chairman.

Johnson: I think that we got it to the point it was very reliable but there was a learning curve getting it.

Archuleta: Yes, absolutely.

Dr. Garcia: If I may add, Mr. Chairman, Commissioner Johnson. We did go through growing pains on the East Mesa in terms of some of the bulbs burning and understanding. One of the problems we had was more of a design issue where there was a lot of heat and the electronics was on top of the bulbs and we had to remove and separate that. We did some redesign and appropriate cooling because a lot of the equipment is out there in the open and in the summer months we had. We learned a lot on the East Mesa system but we did go through some of those growing pains on that small plant. We believe though that like Commissioner Archuleta said this is the way to go these days on the plants.

Johnson: Yes I, getting rid of chlorine is well worth doing.

Chair Little: Anything else? Ready for a vote.

Commissioner Bencomo - Aye; Commissioner Archuleta - Aye; Commissioner Carmichael - Aye; Commissioner Johnson - Aye; and Chair Little - Aye; Commissioner Baumgarn - Absent, Commissioner Sorg - Absent.

The motion was Unanimously Approved 5-0.

7. Old Business:
Chair Little: That concludes the resolutions. Next item is Old Business.

Dr. Garcia: Staff has a couple of items, Mr. Chairman. We had discussed an April work session with John Shomaker and Associates to review a draft of a portion of the Water Action Plan. It’s not the whole plan but we’re ready for a work session. We will be bringing it to you in pieces, so they think that one hour will be sufficient so we request starting at 2:00 p.m.

Chair Little: Okay, and we had all have been asked to hold our calendars open.

Dr. Garcia: Alma it's April.

Diaz: The 9th.

Dr. Garcia: 9th.
Chair Little: Any insurmountable difficulties with that? Okay, please do that.

Dr. Garcia: Second old item, Mr. Chairman. We had a work session with the City Council with the Wastewater IGA. I sensed that I have the support to move forward so we will bring to the Board the IGA contract in April subject to City Council final financing like we did last time on the Water. Then I'm starting the process with the Finance Department to, given the size of this bond issuance the financial advisory and he told you that already that we may use New Mexico Finance Authority and then break it in two pieces. The $13 million and then the $9 million for the, the $13 million for the CIP and $9 million for the Performance Contract. We showed the Council the same presentation you saw however Johnson Controls has polished some of the numbers and they had shown you a 17.1 year payback. It's 16.1 year now so there's a little bit of a better deal and that is with the assumptions of the higher interest. I don't know, Ms. Walsh do you want to talk a little bit about that bond issuance and the interest rate that we got on the refunding? We're hoping to move forward with this funding pretty quick because we got a pretty good deal on those $1.2 million and the refunding in the additional funds.

Walsh: Mr. Chairman, Commissioners. Dr. Garcia is correct. When we did the pricing for the bond refunding, and I apologize I didn't look at it, it's at I believe 1.43% is the interest price we got for those bonds. That's very, very cheap money at this point so we really would like to move forward quickly on some of our bond issuances in order to take advantage of the market. I'm sure you've seen, even today watching banking raids. The market's jumping up and down but we do want to take advantage of the low interest rate at this point. Especially for public money and that hasn't seen much movement in the pricing even though we see some market impacts, when you look at stock and bonds but what's nice, not nice but an advantage of the current environment is government money's going to be cheap because it's safe and in demand.

Chair Little: By refunding you mean funding again, right?

Walsh: Correct, Mr. Chairman. The refund essentially we're refinancing. It's like refinancing your mortgage at a lower rate.

Dr. Garcia: We did add $1.2 million for vehicles if you recall on that recommendation.

Chair Little: Okay, thank you.

Dr. Garcia: We're trying to issue the new debt pretty quick so that we can get also a good deal. Going back to the presentation you had from the Financial Advisor, some of the assumptions on that coverage were at 3% so you can tell that if we can get this financing we will, the Debt Service coverage will look much better than what you saw which was feasible at the time.

Walsh: Mr. Chairman, Commissioners. To that point that means our payback period's even shorter when it comes to the ROI on that investment for the IGA process.
Chair Little: Okay, thank you.

Dr. Garcia: That is it for Old Business.

**8. New Business:**

Dr. Garcia: We have several New Business. Some good, some not so good. We always tell the Board everything.

Chair Little: Go ahead.

Dr. Garcia: John is first.

Bencomo: Is it bad or good?

Dr. Garcia: This is a good one.

Mrozek: Mr. Chairman, Commissioners. John Mrozek, Deputy Director of Wastewater. You will recall that a few months ago you named a roadrunner sculpture along I-10 Aguacito. We asked Las Cruces elementary students to help name the sculpture and we had very good response. We recently asked Las Cruces elementary students to help name our robotics sewer inspection camera. As many of you know the line maintenance program uses this camera to determine the ground sewer conditions. It was an excellent response. There were many thoughtful descriptive essays describing their suggestions. Next month after staff reviews the suggestions we will bring you the best five names and ask you to choose a name for the robotic camera.

Chair Little: Wonderful.

Carmichael: Great.

Bencomo: Good.

Carmichael: That's be fun.

Chair Little: Now isn't the Fire Department doing something similar?

Dr. Garcia: Mr. Chair. I don't know. They may have copied us.

Mrozek: Probably.

Chair Little: Okay. Thank you.

Carmichael: That's great.

Dr. Garcia: Robin. This one is a not so good one but.
Lawrence: Good afternoon. Robin Lawrence, Deputy Director for Solid Waste. Yes I get to be the bearer of bad news for today. I don't know if any of you frequent social media however last Tuesday, well the video was from last Monday that was posted on Facebook and in Nextdoor App I believe, showing one of our solid waste trucks driving down the road picking up the containers and continuing to drive down the road and then dropping them off and knocking them down and it wasn't nice. We've dealt with the personnel issue associated with that, addressed our drivers. I want you to realize that that is not typical behavior of the rest of our staff. It was unfortunate but we have dealt with it and I just wanted to make you aware of that, if you've heard of it or seen it or somebody shows it to you. Do you have any questions?

Bencomo: Thank you.

Chair Little: Thank you.

Lawrence: On to better news.

Dr. Garcia: Rhonda.

Diaz: All right, this is great news. Chairman, Commissioners. Rhonda Diaz, Water Conservation Program Coordinator. We provided for you a couple of schedules here. Lush and Lean Workshop. This is the schedule and it has become a very popular event here in Las Cruces and successful for the Utilities, and also for our community in educating them, guiding them to be more conservative in outdoor watering and more adaptable plants for the landscape. We had our first workshop this past Thursday and I'm happy to announce that we had a sold out crowd. We actually had to turn people away because of our fire code capacity so 100, that's our goal. A number.

Chair Little: That's great.

Diaz: Isn't that great? All right, and then the other one is our 2020 Children's Water Festival that is scheduled for April 16th at Young Park. That is our ninth annual. Again a very successful event for the Utilities and for the children in learning about water conservation. Also we couldn't do this without the organizations that come in and talk to the children and have hands on models and water conservation jeopardy. It's just a great event not only for the Utilities but for, not only Las Cruces Public Schools, we also reach out to homeschools, private schools, Christian schools, Catholic schools. We've got about 13 schools signed up right now, almost a 1,000 students. We have 24 organizations that are on board right now. Unfortunately we have had some of them have to not, well yesterday I received a couple of e-mails that they weren't able to attend because of some state restrictions because of the coronavirus. Not that they're travelling but I guess the larger groups, they're being told that they can't attend, but we're going to move forward business as usual until we're told otherwise. We'll continue offering the workshops, continue scheduling the Water Festival until we get through it or are told otherwise.
Chair Little: Okay, well thank you and thank you for persisting. Could I ask that the Lush and Lean schedule be provided to us electronically?

Diaz: Yes, absolutely. As far as the Water Festival we don't really advertise that because it's an open park and we don't want people there prior but we certainly advertise and put articles in the paper about the success of it afterwards.

Bencomo: Mr. Chair.

Chair Little: Comments or questions? Go ahead.

Bencomo: Yes, I have a question. I think the Secretary of Health has asked for gatherings of 100 people or more to be postponed or canceled. Is that something you're thinking on and considering for the mean time?

Diaz: I am waiting for direction. We spoke about it yesterday when we had notification of it.

Bencomo: From whom?

Diaz: Dr. Garcia.

Dr. Garcia: The City Manager. Mr. Chairman and Councilor. I'll be discussing this activity with the City Manager tomorrow because I do realize some City events have been canceled including the, I just read the Rio Grande Theater events. We may get direction from City Manager to cancel some of these events or to limit them according to the state. Again we're planning but we may have to cancel or postpone until further notice but again I was hoping the Manager would be here today. He's probably tied up. We will follow whatever City direction City policy direction.

Bencomo: Thank you.

Dr. Garcia: Regarding this particular one I have not gotten anything at this point.

Chair Little: Okay, thank you.

Diaz: Thank you.

Dr. Garcia: We have one more Mr. Chairman that is Lucio. That is good and bad, right?

Garcia: Good afternoon again Chairman, Commissioners, Councilwoman. I had hoped, we had scheduled Gas Worker Day which is an annual event that's been recognized by the APGA for the past five years and we've observed it for the past four years. It was scheduled for March 19, 2020 which is next week and in our staff meeting this morning as we were discussing we found out, I shouldn't say we found, we were aware that these things were coming but a
lot of the vendors that would be there had canceled because of their internal policies or directives. In addition to that we also had concerns from staff with everything that's going on so at this time we've decided to reschedule that for a further date. What that date is we don't know but we will determine that then. I'll stand for any questions.

Dr. Garcia: That's all we have for New Business Mr. Chairman.

9. **Board's General Discussion:**

Chair Little: Okay, the next item is Board's General Discussion. Anyone? Okay, well I have one. A few years back I asked the Utility in general how we stood in terms of what you might characterize as deferred maintenance. There's been a fair amount of discussion within the industry as to a backlog of problems that are going to end up bitting us and so I ask that then and I'll ask again now that the Utility give us a briefing on where we stand as a whole on our, so to speak, deferred maintenance and how do we look in the future as far as catching up or keeping up or staying ahead as the case may be.

Dr. Garcia: Mr. Chairman. Thank you for the question and for bringing it up. I will suggest that we prepare a short presentation as part of the Administrative Report, but just to give you a summary as to where we are, I believe we've done a fairly good job on well replacement. As you see we are adding a well, two wells to the system this coming year. Ms. Widmer is working with John Shomaker on that well maintenance plan, right, so we can show you that. In wells we'd say we're keeping up. We have three wells funded by the state a few years back. If you recall we replaced three in one year. Moving to reservoirs I think we're lacking on reservoirs. Today you saw a presentation that we're trying to keep up with that and if you see some of the appendix in your presentation the tables of the CIP we've scheduled reservoir rehabilitation over the next five years, so that's a medium.

Where we are behind, and I can tell you we're behind is in the transite replacement. Carl mentioned a few, I think we need to do a better job and as we move forward and get your Water Action Plan out of the way we need to have work sessions and see how we're going to tackle. That's a big elephant and we'll have to have small bites because it is a multi-million dollar endeavor. Not everything is an emergency and I believe Carl is stacking some of the lines that were the red lines, right, in the document but you know we're lucky as a City that we have about a third of our pipes have been transite. Some cities have cast iron and transite. Most of them, we're a fairly young City in that sense, but so I think as we move forward we need to bring you and have a, we'll give you a little more elaborate briefing but I think we need to have work sessions to start tackling the transite pipe. I'm more concerned about that because it's not even extensively in the five year plan and that's where we need to see how we're going to fund that and how we're going to tackle those. Carl's group has done a good job in bringing the, coordinating with Public Works the ones that are in, they call the red pipes, I guess the areas that are...
more critical but there's quite a bit there and in transite we are behind and we need to do something about it.

Chair Little: Okay, thank you.

Dr. Garcia: We'll bring you a more elaborate briefing. Maybe show you the project we've done and what the transite looks like. We haven't had a formal presentation of the full transite project, it's massive, the Master plan, but we can bring you a little summary and show you what's out there and then you all can start debating as to how we're going to tackle that. It needs to be tackled sooner or later. Transite pipe is at the end of its life. That doesn't mean they're all going to collapse the same day but as you well know we no longer use that pipe. It was installed in the late 1970s and early 1980s and it's at the end of its life. Those are the three levels of rehabilitation that we have. Particularly the Water utility. We need to look at the plan too. I think we've done good progress on the plan so we need to show you what portions have been done and what portions are to come which is the solids handling we already, John's already working with consultants on what other alternatives we can look at in the solid's handling of the plant because that one is 30 plus years old. We've done a good job of the liquid portion of the plant in the capacity, not only but not on the solid side. We'll bring you that information if you give us probably, if you give us until the May meeting since we're going to have a work session in April but bring you a little summary as part of the Admin Report or a short work session in May to give you an overview of where we are on those different elements of rehabilitation.

Chair Little: Okay. When you are ready. Thank you.

Dr. Garcia: Thank you. Thanks for the questions. I think it's important for the Board to tackle that. I know, Chair your priority over the years has been we need to tackle the 40 Year Action Plan and see what we're going to do with that 40 Year Water Plan so we're there and once you all give direction to Shomaker as to how to proceed and ask which actions we're going to take, the next big issue is I believe the transite pipe as well as the solids handling in the plant.

Chair Little: Okay, thank you. Anything else?

Archuleta: In that regard, one of the things I've been thinking about is the next time we sell bonds, when we sell bonds can you give us a copy of the prospectors itself so we can read it and have it available?

Dr. Garcia: Sure.

Archuleta: Okay. It describes the condition of the City and describes the Utility in its current state of affairs, litigation, whatever. That would all be encompassing in a prospective to the buyers, to the bond buyers so that would be helpful we kind of see that, kind of read in, see what we're writing about, okay?
Dr. Garcia: In fact, Mr. Chairman we can send you the POS of the official statement of this current bonds.

Archuleta: Okay. That'd be fine.

Dr. Garcia: We already have it. We'll go ahead and send you an attachment or something for you to, and of course for the next issuance that will be updated. We have one that is being finalized as we speak for the, they're closing on those refinancing of the bond, so we'll send you that one.

Archuleta: Okay, thank you.

Chair Little: Yes, thank you. Anything else? All right.

Dr. Garcia: Not from staff, Mr. Chair.

10. **Next meeting Date:**
   a. April 9, 2020

11. **Adjournment:**

Chair Little: I will entertain a motion for adjournment.

Archuleta: So moved.

Chair Little: Thank you. A second?

Johnson: Second.

Chair Little: Thank you. Those in favor say "aye." We will see you on April 9th. There will be a work session at 2:00 and a regular meeting to be convened immediately after.

Meeting was adjourned at approximately 4:17 p.m.

__________________________________________  _______________________
William M. Little                        Date
Las Cruces Utilities Board Chair