

Las Cruces Utilities
Minutes of the Regular Meeting on
Thursday, April 9, 2020
3:00 pm
via Zoom

Board Members Present:

William Little, Chairman
Ed Archuleta, Vice-Chairman
Johana Bencomo, Commissioner
Steven Baumgarn, Commissioner
Jim Carmichael, Commissioner
Dr. Harry Johnson, Commissioner
Gill Sorg, Commissioner

Ex-Officio Members Present:

Jorge A. Garcia, Utilities Director
David Maestas, Interim City Manager

Others:

Cassie McClure, Public Outreach Consultant
Suzanne Michaels, Public Outreach
Consultant
Harry Romine, Johnson Controls, Inc.

City Staff Present:

Robert Cabello, Sr. Assistant City Attorney
Carl Clark, Deputy Director
Environmental/Technical Services
Rhonda Diaz, Water Conservation Program
Coordinator
Jeff Dillard, Business Systems Analyst
Lucio Garcia, Deputy Director Natural Gas
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
Alma Ruiz, Senior Officer Manager
Matthew Saenz, Senior Budget Analyst
Delilah Walsh, Utilities Assistant Director
Adrienne Widmer, Deputy Director Water

Chair Little called the regular meeting to order at approximately 3:02 p.m.

Chair Little: It's two minutes after 3:00 p.m. and we have a quorum of Board Members present. I'm going to name all the people that I believe are on the call with us. I am William Little, the Chair. Alma Ruiz is here as the host and as the manager of this whole thing. Jorge Garcia.

Dr. Garcia: Here.

Chair Little: Adrienne Widmer; Carl Clark; David Maestas; Delilah Walsh; Domonique Rodriguez; Edmond Archuleta; Harry Johnson; Harry Romine; Jeff Dillard; Johana Bencomo.

Bencomo: Here. Present.

Chair Little: Lucio Garcia; Mario Puentes; Matthew Saenz.



Saenz: Here.

Chair Little: Rhonda Diaz; Robert Cabello.

Cabello: Here.

Chair Little: Steve Baumgarn; and Suzanne Michaels. And I don't see anyone else.

We are learning how to do these Vote by Teleconferences. I have some guidance here from the Attorney General's Office as to the niceties that I need to observe. At the start of the meeting, I need to announce everyone that's on the call. Anyone that does speak needs to identify themselves, so they go on the record. To the best of my knowledge, no members of the public have e-mailed in any comments or desires to be heard. If the audio or visual/video "goes south" I need to stop. All votes must be by Roll Call Vote. And we will produce and maintain a recording of the open session of the meeting.

1. Conflict of Interest:

Chair Little: Given that. The first order of business is to inquire of staff and the Board if anyone on the call has any Conflict of Interest with any item on the agenda. If anyone does have a Conflict of Interest, please identify yourself and so state. Hearing none.

There were none.

2. Acceptance of Agenda:

Chairman Little: Next item of business is the Acceptance of the Agenda. Could I have a motion from a Board Member to accept the agenda?

Bencomo: So moved. This is Johana Bencomo.

Chair Little: Thank you. A second?

Johnson: Second. This is Harry Johnson.

Chair Little: Thank you. Are there any additions or corrections to the agenda? Hearing none. I'm going to call the roll of the Board Members that are present.

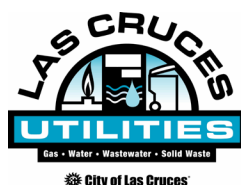
Commissioner Johnson - Aye; Commissioner Bencomo - Aye; Commissioner Archuleta - Aye; Commissioner Baumgarn - Aye; and Chair Little - Aye; Commissioner Carmichael - Absent and Commissioner Sorg - Absent.

The Agenda was Accepted Unanimously 5-0.

3. *Acceptance of Minutes:

***a. Work Session from March 12, 2020.**

***b. Regular Meeting on March 12, 2020.**



The Minutes were Approved Unanimously 5-0.

4. Public Participation:

Chair Little: Next item of business is Public Participation, which we have solicited e-mail comments and received none.

There was none.

5. Administrative Report:

Chair Little: The next item is the Administrative Report. All the Board Members have received the Administrative Report. Now were we going to go through it or are we just going to entertain questions about it? Dr. Garcia.

Dr. Garcia: Yes. Thank you, Mr. Chairman. You and I have discussed that we wanted to have a summarized presentation Administrative Report, so I would suggest that we entertain questions on Items 1 and 2; those are the monthly reporting's. Mr. Provencio and Ms. Walsh are online to answer questions either on the Customer Service Report or the Human Resources Report. I would like to request that we go over Item 3; the Continuity of Operations Plan given this emergency situation. I think the Board needs to be informed and Ms. Walsh will do that. Then again, Items 4 and 5, we'll just entertain questions either on the Water Litigation or Projects, then we can go into Resolutions. If the Board is in agreement, then we can entertain questions on Items 1 and 2, if any.

****Commissioner Carmichael came online 3:09 p.m.***

Chair Little: Okay. I'm told that Commissioner Carmichael has also joined the call. Okay.

Carmichael: Present.

Chair Little: Board Members. Do you have any questions on the Customer Service item?

Carmichael: None here.

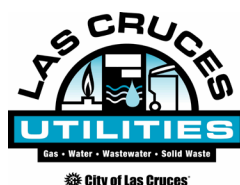
Chair Little: Okay.

Baumgarn: Nope.

Archuleta: No.

Chair Little: All right. Hearing none. I only have one. I understand that at their last meeting the City Council added a substantial amount of money to the Utility Bill Assistance Program.

Dr. Garcia: Yes, Mr. Chairman. You are correct. I was going to bring that up in the New Business, but it fits here. We have about \$24,600.00 left. City Council decided given the emergency and in order to assist residential customers and businesses, they allocated \$125,000.00 additional dollars to this fund.



Chair Little: Okay. This is the Chair. Could I ask that this addition be widely circulated to the public, more so than just in these Minutes and inserts in bills, perhaps a Public Service Announcement.

Dr. Garcia: Yes, Mr. Chairman. We are in the process of doing quite a bit of outreach for these additional funds. We're routing the residential customers still through Casa de Peregrinos, but we will deal with the businesses directly from our Billing and Receivables group.

Chair Little: Okay. Thank you. Can we roll the slide back? Okay. Any questions on the Human Resources Report? Hearing none. Go ahead and brief us on the Continuity of Operations.

Dr. Garcia: Very good. Ms. Walsh, please.

Walsh: All right. I hope you can hear me. Mr. Chairman, Commissioners. What we've done is remitted a Continuity of Operations Plan to the City Manager, which has been approved. Right now, as part of that Continuity of Operations Plan, and you do have a copy in your Board Packet. Alma has provided you with a complete copy. We used a format wherein we identified all our essential employees. As you may know pretty much everybody in the Utility, particularly field staff, and those with direct contact with customers are considered essential employees. However, that does present its own set of challenges when we're keeping our staff safe in this new environment. In addition to that, we summarized the Human Resources as well as other emergency resources, identified our buildings, anywhere where we're going to have a customer contact. We've corrected and created Contact Flow Charts, so we have contact trees for supervisors and succession contacts. That way we have a one-stop-shop for everybody to have cell phone numbers, e-mails, as well as City phone numbers in order to contact people in necessary programs.

Lastly, we did appendices that wherein we recorded all employee locations and whether or not they could telecommute. If they could telecommute or work from a remote location, we identified what they needed to do so. As part of that process, we actually took 16 of our training laptops, which was the entire training laptop inventory and created a check-out system for office staff to be able to check out those laptops, get the connections necessary, and then be able to work remotely outside of the Utility. That was done as part of our congregation reduction efforts and so as part of the Continuity of Operations Plans, we had the opportunity to identify what we need to keep the Utility running.

As you probably know, there is no relaxation of any regulatory requirements, and since we still have a commitment to deliver our services to the City of Las Cruces. Clean water, safe drinking water, reliable sewers, safe and reliable natural gas, and of course, picking up trash every single day. There is no reduction in service when it comes to service distribution to our citizens.

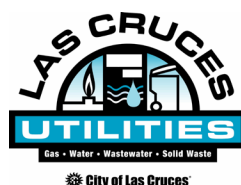


We have enabled Staff Remote work assignments. What we're trying to do is rotate some of our office staff. Meaning, they will be in maybe two or three days a week and then at home for several days, whenever we have that remote work possible. Not all staff is working remotely, but we did make a big effort to ensure we reduced people in our buildings to 50% or less. I'll pick on Alma since she's the closest one here. She's got some staff working at home a few days and then some staff reporting in the office. We were able to split out and ensure everybody has their own office space and we're not encouraging any sort of congregation. In addition to that, we've also implemented staggered shift reporting. This means that instead of the entire group coming in at 6:00 a.m. or 7:00 a.m., the shifts are staggered between 15 and 30 minutes to ensure that we don't have congregation and we're complying with the Governor's orders to have five or less people gathering in a group. In addition to that, some of the sections have been able to implement car-to-car check-in. This means me as an employee, I bring my personal vehicle to the Utility, I have my work orders, which have already been delivered to my work truck. I go from my personal vehicle to my work vehicle and my time is logged using the NexTraq vehicle tracking system as well as the mobile operations. Rather than coming in and congregating in the building, or touching those shared services, or having any more exposure, we're going to vehicle-to-vehicle check-in, in addition to the staggered shifting.

We've also implemented as well as the entire City...all meetings as you know, are via conference call or MS Teams. This has been a new lesson for us. All LCU (Las Cruces Utilities) buildings are closed to the public. That means they're even closed to vendors and salesmen. Though, most vendors have pulled back their salesmen. The only people we're allowing in our buildings are of course the public who has to do business, which means at City Hall, they're paying bills and coming to talk to our Customer Service reps, particularly for payment assistance. Any other vendors that come in, there does have to be an operational need. In other words, if there's a contractor doing work on electrical systems or something that we need to continue operations, that of course is allowed. Essentially, we're doing everything we can to ensure we meet our operational needs by accommodating the needs of our employees during this crisis or pandemic.

We have been social distancing with staff, so we've been repeating over and over the six-foot distancing, trying to keep people in separate offices. Jose Provencio and his team under Eli Duran have actually increased the number of sanitation efforts going on in all our shared spaces, so everybody at the building will notice we see somebody pretty much every few hours wiping down shared surfaces like the door handles, light switches, things like that to make sure that we're keeping the building as clean as possible and disinfecting as much as possible.

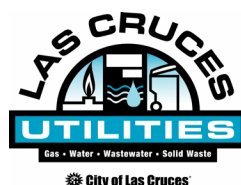
We also created an access to a cumulative reference document for LCU employees. On our site, and it's shared with all Utilities employees and I'll be putting that on our SharePoint site today. What it is, there's been so many



policies coming out, and so many directives, and so many instructions and whatnot. I believe last week we had something like, I counted 32 e-mails from eight different departments telling our employees what to do. This created a lot of conflict and we weren't seeing consistency among the supervisors and directives and things like that, so now every single LCU employee can click on that link and go to a document that walks you through everything. There's a table of contents and tells you how to work remotely, what sort of leave you can use in what situation, what steps are involved with that, and what recommendations are from the Public Health Department. It's all in a one-stop place for our employees. It was getting quite a bit even as management was watching everything happening, so we've consolidated all that into an easy reference document for our staff. I'm updating that every day. You have a copy of it. I think you have the March 30th version. We had a new leave policy come out today, so I'll be updating that this afternoon for our staff, that way they have a current resource of the policies and the procedures and everything else happening throughout the City as well as the Utility.

One of the challenges we've had is the compliance with the new Family First Coronavirus Response Act. Essentially, what that does is it guarantees employees another 10 to 12 weeks of paid sick leave or paid time off at different rates based on the federal law. If they've been affected by the virus, if they are taking care of somebody affected by the virus, or if their child's school or childcare facility has been closed because of statewide actions responding to the virus. As you know, LCPS (Las Cruces Public Schools) did close school in accordance with the Governor's directive to close all public schools in the State of New Mexico for the remainder of the school year, and that did affect our employees who have children at home. For the most part, I'll have to really say we've had an incredibly cooperative staff, and understanding, and very much reflective of the service spirit that our employees have to our community, simply because we have been having those conversations with staff members of who's affected, and who needs to stay home, and for the most part, they're making a lot of accommodations between their family needs and the needs to the Utility to make sure our services are being delivered consistently and with the same guidelines we expect in a normal environment. We've had really great cooperation from the staff. It has been challenging. Today we did get a new Extraordinary Leave Policy from the City Manager's office, so thank you to Interim City Manager Maestas for getting this out to us. That challenge was a point of inequity for some our staff. As I mentioned earlier, Utility staff are essential. We can't close down water production just because we need to send people home. We can't stop maintaining our sewer lines. We can't stop picking up garbage. There's nothing in our operational objectives that can be suspended. We simply have to keep going because either it's the right thing to do for our community or it's a regulatory expectation.

The Extraordinary Leave was being used throughout the City for staff members who were sent home, so I'll use a librarian for example. The library's closed. If you're a service librarian you don't need to be at work and the intent of that

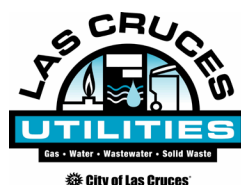


leave was to make sure the employee still had compensation while their section was closed, while the library was closed. That was not something that we could take advantage of in the Utility and so we were getting an equity issue and questions from our staff and from the Union asking how is this fair that people get to go home and just be paid to do nothing and we're reporting every day and risking our own exposure in order to keep the Utility running. That was resolved today by a new policy using the Extraordinary Leave, we still have challenges related to compliance with letting our staff off and complying with quarantine policies and things like that, because we can't close the Utility. That's really the bottom line. Like I said for the most part, our staff, our employees, are real troopers. They've been incredible. They've been helpful. They've made a lot of great suggestions.

What we're trying to do at this point is ensure everybody has the necessary Personal Protective Equipment (PPE). As of this week we are tracking all PPE inventory within the Warehouse as well as the individual sections and I'm actually monitoring who's taking what in order to prevent any sort of hoarding, and that's a natural reaction in a panic situation. We see that in our community with the inability to buy toilet paper. The same thing could happen with our masks and our gloves, so I'm tracking the PPE individually, and the Deputy Directors are all reporting on an Operational Summary Report every week on how much PPE they have. I'm able to see if you still have 50 masks and seven employees; you don't need to check any more out of the warehouse. We're trying to keep a good handle on what we have in order to ensure all our team members are covered and everybody has what they need. Obviously with the new directives from the CDC (Center for Disease Control and Prevention) to wear masks any time you're interacting with somebody who's within six-feet, that's changed the need for masks, but we're trying to deploy that to every single employee.

I do want to give a shout out to Case and to Lucio in the Gas Section simply because they've come up with an Standard Operating Procedure (SOP) on when to use Personal Protective Equipment, how to don and doff your gloves correctly, and what to use masks for and when to use them. Again, if you're in direct contact with customers or you're going to be within six feet of somebody, you should be wearing a mask if you're not able to self-isolate. Those are some of the challenges we've come up with. I know we've heard from our Union a few times regarding extra pay for those employees who have to continue working. I know this is something that's come up not just with the Utility, but also with Transit. Their drivers are still running. Same with PD (Police Department) and Fire, they still have to respond and they're also essential employees reporting into work. It's something that the Unions asked for to the departments, but they haven't reached out to management yet, so we're encouraging them to do so as those policies will have to come from the City administration and not just from the Utility.

Our Deputy Directors are also doing situational reports, well actually they're doing the Operational Summary Reports every week to let us know where our

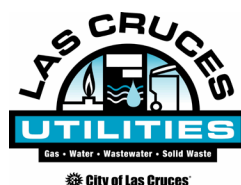


employees are. What I mean by that is not their locations, but are all employees still reporting to the office, how many have been impacted by actual COVID quarantine leave or are they taking extra family leave or sick leave or extraordinary leave. That way we have a good handle of just where our staff is on staffing levels. Additionally, in those Operational Summary Reports, the Deputy Directors have identified threat levels for us. In other words, at what staffing level do we have an operational threat of failure. We want to know should we hit a surge, or should we lose a crew to COVID testing or COVID quarantine, we'll need to know at what point are we actually at risk of failure for operations. One of our big concerns is water right now and not because of the staff, only because they're already short a crew, as you know from our vacancies and even though they filled about 16 positions, they're still short on 10 because of that rotation. We all know with this warm weather we're going to see a surge in water demand. With water demand surges come the leaks, and with the leaks come repairs and outages, and that's what we're trying to avoid. The Deputy Directors are all tracking where their staff is, they've identified their operational threats and then they're also, again as I mentioned earlier, tracking their PPE, and giving an inventory report. With that information every Friday morning I'm going through and doing a situational report for Dr. Garcia, which will eventually go to the City Manager. Our first one we've completed; we'll share that with the City Manager at the end of this week. The Sitreps will give us a one- or two-page picture of our current status throughout the incident. Right now, our incident operational period is until April 30th, pursuant to the Governor's declaration. However, I have been putting that data into track into May simply just to see where we are.

At this point, we are very strong in the sense that we don't have to send anybody home. I think we have seven employees out on quarantine who should be returning. None of them were actually diagnosed with COVID. However, they traveled out of state and under the rules of the City we had to put them in the 14 calendar-day quarantine before they could return to work. We have a few of them coming back now. We expect a few to be out intermittently when school starts. I know myself I have to be home on Monday when both my children go back to school, so I make sure they're running well. Then once we have a better idea how each employee's dealing with the school situation with their children, we'll be able to adjust operationally. Again, the supervisors have been really good about coming up with good ideas as far as, a good example of that is the truck-to-truck reporting as well as the shift changes. We've encouraged them, they have the flexibility now if they want to try rotational shifts, two days on/two days off, anything like that, they do have the flexibility to do so. Again, anything they try we need some demonstrative evidence that we can still function with half a crew or a third of a crew or three-quarters of a crew, whatever they come up with in their pilot trials. Any questions?

Chair Little:

Okay. This is the Chair. You answered one of my questions, which was did we have bonuses. Board Members, if you have questions give me your name and go ahead and ask the question.



Walsh: Mr. Chair. I would like to answer. At this point, the City administration has not approved any sort of bonus or extra payment. We have talked to the Union President and they have a proposal that they're preparing to present to management however the change in the Extraordinary Leave has been a good benefit for us in the equity side. The biggest change has been if employees don't use that Extraordinary Leave it can be added back to their annual leave when the incident is over. If I have to keep reporting and I never get sent home to just be at home and be paid because my section's closed, I will have that extra 15 days of leave at the end of the incident.

Chair Little: Okay. Questions? Say again.

Maestas: If there aren't any questions. This is David Maestas, Interim City Manager, if I could add to what Ms. Walsh has passed on.

Chair Little: Please.

Maestas: There has been discussion and I know Ms. Walsh you mentioned that Union is looking into it. There has been discussion amongst the Office of the City Manager with the potential for additional pay. It would be something along the lines of what people have referred to as hazard pay, those who are in constant contact with the public. We are actually looking into the potential of what that estimated cost would be and then from there if we do have the opportunity that might be another option. As you did mention, the main thing that we wanted to do with that Extraordinary Leave was allow that as an opportunity for those who have not been able to take leave, that they can do that later on through the year if and when we get past this current public health emergency. Thank you.

Chair Little: Thank you. I'm told that Commissioner Sorg has joined the call.

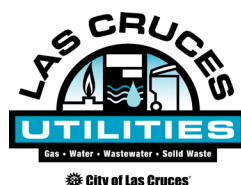
***Commissioner Sorg came on-line 3:27 p.m.**

Chair Little: Any other questions or comments?

Carmichael: This is Jim, just one comment, Mr. Chairman. I don't know if we have a, we're not at that point yet with the water, but if we were to get to that point in the coming weeks or months where that became super critical, I'm just wondering if there is some way to invoke some kind of very restricting water use beyond what our restrictions already dictate.

Chair Little: Dr. Garcia.

Dr. Garcia: Yes, Mr. Chairman, Commissioner Carmichael. In an emergency in terms of water supply, we could do that. I don't see us getting there and the reason I say that at least today, I was reviewing the March usage report and we sold several millions of gallons less this March than the prior March. I don't know if



it's the little bit cooler weather in the spring or it's the fact that maybe there is more conservation given this situation. Some businesses are closed and they're not using water. We will monitor the situation and if we have to issue an emergency response, emergency in terms of water supply, or curtailment in terms of certain types of usages like parks or any other users that would have to use water at certain times of day, for example, we could get there. I don't anticipate that at this point, but again, if this situation continues in June, we will be looking at it really carefully.

One system we've had since 9/11 is we track from April to September or October, we track the cumulative storage and the cumulative pumping every day and we have threshold levels for emergency: Levels 1, 2, 3, etc. We have that in place already and we would use that and a Council approved resolution that allows us to have those Level 1, 2, and 3 emergencies. It's not like we need to create new policies to be able to do that.

Carmichael: Thank you.

Walsh: Mr. Chairman, Commissioner. In addition to that, we've had a talk with the Deputy Directors...

Chair: Who is speaking?

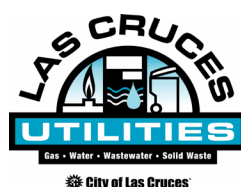
Walsh: I'm sorry, this is Delilah, I'm sorry Chairman. We know now and Adrienne and John have been really great at identifying if we have to combine crews, all Wastewater and Water into one crew in order to keep working, that's a possibility. By doing those Resource Identifications up front, we know who we have where, and I believe we've got the good management plan in place as we get down to those operational threat levels. We've got a lot of stages and steps to get there.

Chair Little: Thank you. Any other comments or questions? Next topic.

Dr. Garcia: Mr. Chairman. Just briefly on the Water Litigation, just a couple of items. I will let you read Mr. Stein's slides 12 through 15. There's been some decisions from the Special Master, not too good for New Mexico. He's still analyzing what it means, what those decisions mean for us and for New Mexico. However, the good news is that New Mexico will be using Dr. Wilson as one of the witnesses in the case. He's one of the strongest hydrologists in this area, at least on the knowledge of the Rio Grande system. That's good news for us because we will have our issues represented and we have more at stake in the lawsuit with that. That's a new development that you'll read that in Slides 12 through 15.

Chair Little: Thank you.

Dr. Garcia: Then the second item in terms of the Griggs Walnut litigation, the City Council approved a Resolution that is called the Payment in Case of Takeover. In case the Consent Decree, which was approved in Closed Session by both the City



Council and the County Commission back in February requires that, if we all walk away, both City and County, and we decide not to clean up the contamination, they wanted assurances and there are several attributes of assurances including letters of credit. We can also have a Resolution of the governing bodies saying, "Yes, we will pay EPA \$9 million to take over the project and then finish the cleaning." That assurance had to be done so that it's inserted in the Consent Decree before it's filed. City Council, the Commission approved it last month or earlier in the month and then the City Council approved it recently. Now we're ready to assemble that Consent Decree and file it with the court. There's progress along those lines. Once it is filed then it will go for 30 days on the Federal Register and after that the judge will probably enter the decree and then we finalize the settlement at least with the federal agency. We still have ongoing litigation with the two private businesses that were downtown. As we get to a more normal situation, maybe this summer I'll bring Mr. Stein back down here and have probably a full briefing, after he diagnoses and analyzes all of the rulings from the Special Master.

If you recall, a year ago April 1st, we were in Denver at a hearing and the Special Master ruled on those right before a year was over. Again, we don't have all of the impacts analyzed by Mr. Stein yet, so his summary in Slides 12 through 15 are just a very quick overview because I asked him something by April 3rd to give it to you. That's not a full analysis as to what those rulings mean to us.

Chair Little: All right. Thank you.

Dr. Garcia: Are there any questions with that one? The next item Mr. Chairman, any questions on projects? Mr. Clark is ready to answer any quick questions. There are three projects portrayed there. One thing that I need to say about projects, one directive of the City Council and City Manager was that if at all possible we need to continue our projects and continue our engineering and bidding out projects because that's going to help at least a portion of the economy here. Every single project that we have, and I believe it's two for Public Works is working, we have inspectors out there. We are building stuff right now.

Chair Little: Thank you. Board, questions on projects? State your name and give your question. Hearing none.

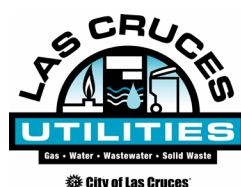
6. *Resolutions for Consent Agenda:

6a. *Resolution 19-20-LCU020:

The motion was Unanimously Approved 5-0 via the Consent Agenda.

6b. *Resolution 19-20-LCU021:

The motion was Unanimously Approved 5-0 via the Consent Agenda.



7. Resolutions for Discussion:

7a. Resolution 16-17-124C:

Dr. Garcia: We're ready for Resolutions then Mr. Chairman. There are two resolutions that were not on Consent.

Chair Little: Right. Okay. The first Resolution is Resolution 16-17-124C: A Resolution Accepting the Investment-Grade Audit Report Between the City of Las Cruces for Las Cruces Utilities and Johnson Controls, Inc., and Approving the Energy Savings Performance Contract Phase II Project for the Wastewater Operations and Maintenance Line of Business, Subject to the City of Las Cruces City Council Funding Approval. A motion to approve.

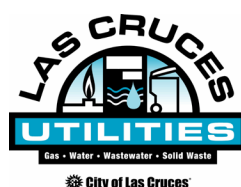
Archuleta: Move to approve.

Sorg: Second.

Chair Little: Okay that was Archuleta followed by Sorg, I believe.

Dr. Garcia: Thank you Mr. Chairman. If I may, I'll give a brief introduction and then Mr. Clark will give a summary. We also have Mr. Harry Romine from Johnson Controls in the call-in case there's very specific questions. Just to give you a history, we brought this to you in a Work Session. The Financial Advisors were at that meeting and showed you the finances would work in this particular project. Erik Harrigan presented that information to you. After the work session you concurred that this probably should move forward to the City Council. Mr. Romine and I went back to the City Council Work Session, presented the project, presented the costs and City Council concurred that we should move forward with the project. As you know, the Utility Board has approval authority for projects that are budgeted. In this particular case your approval is contingent upon the next step, which is the issuance of the loan to do the project, so it's a two-step approach and similar to the \$22 million AMI (Advanced Metering Infrastructure). After you approve this document, it's only contingent upon the City Council approving the \$9.4 million to move forward. That is already in the works. The application for the financial assistance through the New Mexico Finance Authority is at the April 20th meeting and then there's another session with the Council in May. Once again, this approval for this project is on the technical side and the acceptance of the investment-grade audit so that we can move forward with the financing. Once we have your approval and then we have the City Council approval of the financing, then the attorneys can finish up the legal documents and execute the contract itself and then Carl's group will give the notice to proceed on the project. Okay. With that, maybe Carl can give us a brief summary of the project. Again, any details Mr. Romine is welcome to jump in.

Chair Little: Okay. Thank you.



Clark: Thank you Dr. Garcia. Yes, basically as Dr. Garcia said, this went in front of the City Council who approved us moving forward with this second phase. I had a few slides in there, but I'm not sure who's operating the slides.

Dr. Garcia: Alma, Slide 25 please.

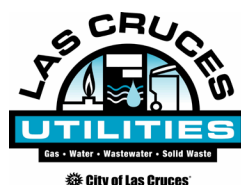
Clark: As you'll see when the slide comes up, I listed a few of the big ECMs (Energy Conservation Measures) that Johnson Controls, Inc. (JCI) presented. The first one is the SCADA improvements that JCI presented, so it's an upgrade to the SCADA systems out at the treatment plants, all three treatment plants will be getting that upgrade. It's a large investment for us which in turn gives us the efficiencies and operations.

The second slide there, Slide 26 is the aeration improvements, that's a large project that's part of these ECMs at about \$3.4 million. These will remove the existing natural gas blowers that we have out at the treatment plant and replace them with electric blowers. This is going to work well with our now Co-Gen system which is the other improvement aside to these electric motors is additional loading to the Co-Generation (Co-Gen) systems with these new electric blowers. That's some of the improvements. The money slated for the Co-Gen plant improvements is going to be the rearrangement of loads out there so we can load up those Co-Gens even more with these electric blowers.

Moving on to Slide 28. Basically, there's your list of all the ECMs and the other dollars associated with this project. There's more than just the three as you can see. The other ones are smaller in dollar amount, so we have some HVAC (Heating, Ventilating, and Air Conditioning) system improvements, lighting, energy management system that's going to be utilized out there, and the EPE (El Paso Electric) rate conversions, which really they didn't put any dollar to that, and wastewater flow improvements at the East Mesa and small amount of improvements at the, well the West Mesa's getting some of the SCADA improvements as well.

Going on to the next slide. The difference that you see now versus what you've seen at a Work Session was the Simple Payback. The Simple Payback is now at 16.1 years. When you saw it at the Work Session it was actually 17.2 years that was originally presented. Dr. Garcia, I don't know if you want to add to how that came about, but I think it has to do with some of the interest rates or something.

Dr. Garcia: Well yes. I think maybe Harry Romine can jump in, but Johnson Controls went back and sharpened some of their costs on different items and we ended up with a little better payback for the whole project. Again, these estimates are very conservative in terms of the interest rate for financing. We think we can get very good interest rates if we continue to move forward like next month and in May so the payback is going to be much better or the duration of the debt could be shortened. We'll see that once we know what interest rate we get on the loan then we'll see how..., we'll have final numbers for you, but



these numbers are very conservative not only on the JCI side, but the estimates that the financial advisor made. Mr. Romine, do you have any comments to add?

Romine: Good afternoon, Mr. Chairman and Commissioners. Harry Romine, Account Manager, Johnson Controls. I assume you can hear me okay.

Chair Little: Yes.

Romine: Yes, so the only thing that's really changed since the Work Session primarily is, we did identify some additional electric and gas savings, which brought the overall payback down a little bit. As Dr. Garcia said, we're using a pretty conservative interest rate for the financing so it ought to even get better than this assuming we can kind of get that locked in you know while the rates are low. Thank you.

Chair Little: Okay. Thank you. Board Members. Any comments or questions? Hearing none. Ready for a vote.

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

The motion was Unanimously Approved 7-0.

7b. Resolution 19-20-LCU019:

Chair Little: The next Resolution is Resolution 19-20-LCU019: A Resolution Recommending Approval of the Las Cruces Utilities Fiscal Year 2020/2021 Annual Budget and the Funded Capital Improvements Program to the Las Cruces City Council.

Sorg: Move to approve.

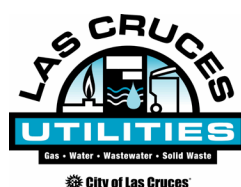
Chair Little: Sorg. Thank you. And a second?

Johnson: Johnson, Second.

Chair Little: Thank you. Discussion.

Dr. Garcia: Mr. Chairman. There were no changes to the Capital Improvement Program, the projects that Carl presented are the same. There was a recommendation from Commissioner Archuleta for budgeting or allocating monies or a Full Time Employee (FTE) for hydrogeologist and so I'll have Ms. Walsh explain how we're going to accomplish that, and that recommendation will move forward. Delilah please.

Walsh: Mr. Chair, Commissioners. As Dr. Garcia mentioned, the only change we have to the budget is the reclassification of an FTE to work as the hydrogeologist. Adrienne has already identified a position within her section that can be



reclassified and moved into that position. Her staff is also taking it on themselves to look at possible job descriptions with competing, not competing, but similar agencies such as the Bernalillo County Water Authority, as well as other surrounding utilities. We'll be working on that job description and that PAQ (Position Analysis Questionnaire) to remit to HR (Human Resources) before the end of the fiscal year. Then by the start of the next fiscal year, in the very first period, we'll adjust the salary requirement for that hydrogeologist. I believe we're reclassifying a; I want to say it's a, meter mechanic or a water worker. That position obviously would be a lower pay scale than a hydrogeologist, so in the very first budget period when the first period adjustments open up in accounting and budget, when we go to make those adjustments, we will account for the higher salary for that position. We will not be adding an FTE, we'll just be reclassifying.

Chair Little: Thank you.

Dr. Garcia: Mr. Chairman, Commissioner Archuleta. The reason we're not adding another FTE is because we still have 42, actually 43 FTEs open. So even though we're making progress, a lot of the progress in hiring is promotional from within, so it is very hard., We were in the 50-plus when we started this a year ago, when we started the effort, and now we're down to 43. We didn't feel that adding an FTE was the solution but adding the job description and working with HR with that will allow us to fill that position probably faster than other positions in the Utility.

Archuleta: Yes. Dr. Garcia, this is Ed Archuleta. I agree. It's always best to try to find an existing position, not necessarily having to add to the budget but just reclassifying one, so I think that's a good solution. Thank you very much for your attention to this.

Chair Little: Okay. Any other comments or questions about the budget? Hearing none. Ready for a vote. This is a vote to send the budget to the City Council.

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

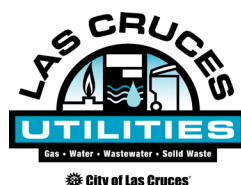
The motion was Unanimously Approved 7-0.

8. Old Business:

Dr. Garcia: That's all for Resolutions Mr. Chairman. We can do Old Business.

Chair Little: Okay, please.

Dr. Garcia: I will start with an item and then I'll have Carl do the second item. The first one you all may know but given the current situation the City Council tabled our Solid Waste Rate Review. It is tabled until April 20th. I imagine it may be tabled again given the current situation, so we have not moved forward with



that and therefore we didn't bring you the tariffs for implementation at this time. Carl, can you address the Lush and Lean and the programs that we postponed, please.

Clark: Thank you, Dr. Garcia. Carl Clark, Deputy Director Environmental and Technical Support. Chairman, Commissioners, Basically, I'm here to let you know of the cancellation of some of our water conservation events due to the COVID-19 virus. Basically, as you know, we've cancelled the April Children's Water Festival for obvious reasons. Then also Lush and Lean Program was affected with this COVID-19. We've cancelled a couple of those programs or those scheduled dates. Particularly, May's going to be cancelled as well, but we're planning, and our intent is to bring back three other Lush and Lean Programs in the fall...tailor more towards fall events. Hopefully, that will come to fruition, and this thing passes, and we can do that. I know Rhonda is excited to try and get back at providing all this public outreach that she does. In addition, the Great Spring Stroll that we have here as well. Last time, I think we had around 100 people show up and that's been cancelled. Unfortunately, we just have to deal with this issue right now and maybe we get to come back in the fall and look at having some more events.

Chair Little: Okay. Thank you.

Clark: Thank you.

Chair Little: Other Old Business?

Dr. Garcia: Yes, one more item. Ms. Widmer.

Widmer: Adrienne Widmer, Deputy Director for Water. We were going to do the Water Action Plan Work Session next month, but we're going to go ahead and reschedule that for June, at this point. We'll see how things go. We just feel that this is a subject that is very important for all of us to actually be together to discuss; so we thought, we would just put that off for a while.

Chair Little: Very good. Thank you.

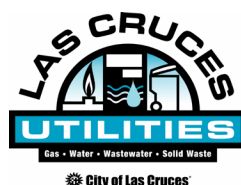
Widmer: You're welcome. Thank you.

Dr. Garcia: That's all we have for Old Business on staff's side Mr. Chairman.

9. New Business:

Chair Little: Okay. New Business.

Dr. Garcia: Yes, I was going to bring the \$125,000.00 from the City Council. We thank the Council for giving that assistance. I think it's going to be welcomed by some of those small businesses and residents. We don't have as many customers coming into City Hall but have lots of calls and lots of e-mails coming in for



assistance already. Again, like the Chair suggested, we will be doing a lot more outreach on this additional funding.

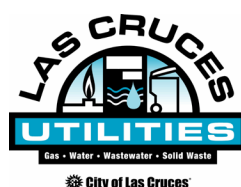
As you also probably have read in the paper, we had closure of facilities to the general public in terms of South Central Solid Waste. That was for safety reasons. When a lot of people were sent home to work at home, it turns out that they were doing a lot of landscaping and spring cleaning and the facilities were crowded. Director of South Central with Chair Vasquez decided to close it to the general public. Businesses that are essential businesses can go in, our trucks go in, but there is less crowding right now at those facilities. We also had to close our green waste disposal at the old landfill for the very same reason, and it's also co-located with the recycling facilities that are closed. With that, we've had some complaints. Mr. Maestas gets calls or e-mails for glass recycling. Unfortunately, that's not possible through the curb-side pickup so some people may have to just keep their bottles for a while until we reopen those facilities. We also had complaints about additional green waste, so we've evaluated the situation to see what else we can do in lieu of the closed facility of the old landfill, the compost facility. Deputy Director Lawrence has come up with a plan that will be rolled out actually tomorrow. Robin, so you want to explain that?

Lawrence: Yes. Good afternoon Chairman, Commissioners. Robin Lawrence, Deputy Director for Solid Waste. As Dr. Garcia was saying, we've had a lot of phone calls related to the closures and where do we take our waste, etc. We came up with a plan and a news brief is actually being released today, so you should be getting an update on it here shortly. What we're going to do is offer one free additional Green Grapppler curbside pick up to our residential Solid Waste customers. There's not going to be a charge for the service. We're going to run it through May 8th so that basically gives us a month. The way we're going to handle it is we've published the Utility's main line phone number and the phone calls will go to Solid Waste staff who will take customer's names and addresses on a first come, first service basis. We're not committing to a specific date because based on availability of staff and the amount of other trash that we have to pick up. We will schedule the pickups as we can. Basically, we'll go out there, this will be a one-time opportunity before their next green waste pickup and then hopefully by then, we can open in the near future. Are there any questions?

Sorg: Yes, Commissioner Sorg here. Have you, did you say you were going to put this out in a notice or some kind of a PIO or what?

Lawrence: Yes, so Suzanne Michaels and I worked on a news brief yesterday. It was finalized earlier today. It has been sent to Udell to send out to the regular news media that he sends it out to, it'll be posted on social media and all that kind of stuff.

Sorg: We should have something in our In-box then, right?



Lawrence: I would imagine here pretty soon. I think once Udell publishes it, he sends it to the City Manager's office to distribute it to the Councilors and then Alma sends it to the Commissioners for the Utility Board as well.

Sorg: Thank you so much, Robin.

Lawrence: You're welcome.

Bencomo: Mr. Chair. I have a question as well.

Chair Little: Go ahead.

Bencomo: This is Commissioner Bencomo. Robin, thank you for that. I did, we did receive the e-mail a little while ago in our In-box. I think that's excellent. I wonder too if there's an opportunity to create a PSA (Public Service Announcement) around dumping. I'm really nervous about illegal dumping, I'm really nervous that with the closures, the continued closures of these centers, which I think are rightfully so, I think it's the right call. That we're going to see an increase in illegal dumping and I wonder if we can try to do some PSAs around that, around being good stewards of the earth, and good neighbors, and keeping your trash until we're open. You know, if you see illegal dumping to report it, where to report it, and all that.

Lawrence: I'm sure we can definitely work on something. I know Patrick Peck with South Central has been putting out like two a week. The County collection centers are now open...

Bencomo: Yes.

Lawrence: Their schedules...I can definitely have a conversation with Patrick about those other options.

Bencomo: Thank you.

Chair Little: Okay. Anything else?

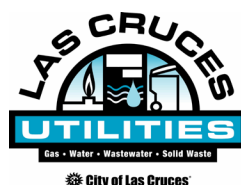
Dr. Garcia: Not from staff, Mr. Chairman. Assuming things may get to normal, I may be out of the next May meeting, but if things are not normal, I will not be taking vacation. It all depends as to whether we can reopen in the month of May for the May Board meeting.

Chair Little: I'm not making book on it. Any other?

Dr. Garcia: That's it from staff Mr. Chairman.

10. Board's General Discussion:

Chair Little: Okay, Board General Discussion. Board Members, anything? I have two things. The first is that as I said, I'm not really making book that we will be meeting in person in May, but this is actually working really quite well, and so if necessary we will go ahead and have our May meeting by Zoom and we'll limit



the business to what is essential to keep going and hold anything we can until June.

The second thing is that I had asked to go to Jacob Hands and take a look at the empty primary clarifier just to see what was at the bottom of that pool of water. Mr. Mrozek was kind enough to let me do that and gave me a good briefing and a good chance to look in the hole in the ground. I learned some stuff while I was doing it and thank you again.

Mrozek: You're welcome.

Sorg: What'd you find Chairman?

Chair Little: Say what?

Sorg: What did you find at the bottom?

Chair Little: Well the old collector apparatus is still there, so it's the only way that you have for seeing actually what really does go on in a primary clarifier. The next time we have a chance to look at it will be replaced with shiny new stainless-steel equipment from the ground up.

Sorg: Thanks.

Chair Little: Okay. Any other discussion? Any other comments?

Dr. Garcia: Not from staff Mr. Chairman.

**11. Next meeting Date:
a. May 14, 2020.**

Chair Little: Okay, we will plan on a meeting on May 14th. Is that right, May 14th? It will either be in person or by teleconference.

12. Adjournment:

Chair Little: I will entertain a motion to adjourn.

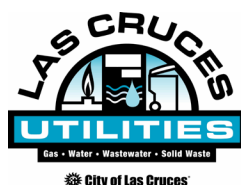
Archuleta: So moved, Archuleta.

Chair Little: Thank you. A second.

Bencomo: Bencomo, I second.

Chair Little: Thank you. All those in favor say "aye."

Meeting was adjourned at approximately 4:01 p.m.



William M. Little
Las Cruces Utilities Board Chair

Date

DRAFT

