

Las Cruces Utilities
Minutes of the Work Session on
Thursday, February 14, 2019
2:00 pm
Utilities Board Room 225

Board Members Present

William Little, Chairman
Ed Archuleta, Vice-Chairman
Steven Baumgarn, Commissioner
Jim Carmichael, Commissioner
Harry Johnson, Commissioner
Gill Sorg, Commissioner (*entered at 2:02pm*)
Gabriel Vasquez, Commissioner (*exited at 2:58pm*)

Ex-Officio Members Present:

Stuart C. Ed, City Manager (*entered at 2:30pm*)
Jorge A. Garcia, Utilities Director

Others:

Becky Baum, RC Creations, LLC
Annie McCoy, John Shomaker & Assoc.
Cassie McClure, Pubic Outreach Consultant
Suzanne Michaels, Public Outreach Consultant
Brionna O'Connor, John Shoemaker & Assoc.
Susan Schmutz, League of Women Voters
Greg Shervanick, Resident

City Staff Present:

Waleed Abu-Issa, Operations Engineer Sr.
Filiberto Aguirre, Water Line Locator
Marcelo Archuleta, Solid Waste Heavy Equipment Operator
Carl Clark, RES/TS Administrator
Rhonda Diaz, Water Conservation Program Coordinator
Jeff Dillard, Business Systems Analyst
Marcy Driggers, Sr. Assistant City Attorney
Lucio Garcia, Gas Administrator
Robin Lawrence, Solid Waste Administrator
Laura Montoya, Pollution Prevention Manager
John Mrozek, Wastewater Administrator
Jose Provencio, Business Services Administrator
Mario Puentes, Gas Business Analyst
Domonique Rodriguez, Rate and Economic Analysis Manager
Alma Ruiz, Officer Manager Senior
Audrianna Sambrano, Senior Office Assistant
Estella Saucedo, Customer Service Supervisor
James Stafford, Management Analyst
Adrienne Widmer, Water Administrator

Chair Little called the Work Session meeting to order at approximately 2:00 p.m.

1. 40-Year Water Plan Implementation Action Proposal:

Dr. Garcia: Ms. Widmer is going to introduce the first topic, Mr. Chairman.

Chair Little: Thank you.

Widmer: Mr. Chairman, Commissioners. I'm going to introduce you to Annie McCoy. She works with John Shomaker and Associates. After they finished up the 40-Year Water Development Plan, we went back to them and asked them to please prepare an action plan that would cover for the next 10 to 20 years, so that we can make appropriate planning. With that I'm going to turn this over to Annie McCoy.

Chair Little: Thank you.

McCoy: Mr. Chairman, Commissioners. Thanks for the opportunity to talk with you today about the City of Las Cruces Water Supply Action Plan. This was developed by John Shomaker and myself in coordination with Dr. Garcia and Adrienne Widmer. As a follow-on to the 40-Year Water Development Plan and this Action Plan covers the next 10 to 20-year period.

Sorg entered meeting at 2:02 p.m.

We can start by reviewing the water demand projections from the 40-year plan and comparing that to the City's existing water rights and permits. Although the projections from the 40-year plan show water demand increasing above the amount of the City's LRG-430, base water right in the next 20-year period. You can tell from comparison with the water rights and permits that any potential need to develop alternate water supply is not based on a deficiency of water rights and permits, currently held by the City.

Instead, the potential need to develop alternate water supply may be based on physical limitations associated with groundwater in the Mesilla Basin and the Southern Jornada Basin, the City's existing sources of supply. We don't want to see water level declines that would cause aquifer subsidence and the loss of aquifer storativity. Wells on the East Mesa in the Southern Jornada Basin draw from groundwater storage with little recharge. Wells in the valley may be in a transition from rough equilibrium to water level declines. Now in the next 10-year period, we're not likely to see irreversible aquifer subsidence. In the next 10-year period, it would be a good idea to develop drawdown warning indicators to protect the aquifers. It is possible that in the next 20-year period, we could see an excessive drawdown warning, particularly on the East Mesa.

An alternate water supply may be needed due to legal and administrative constraints associated with the decision Texas vs. New Mexico and Colorado. Those constraints could come up in the next 10-year period. The State Engineer could lose jurisdiction in the lower Rio Grande Basin and Las Cruces could lose their early priority date for the LRG-430 base water right. As recognized by the State Engineer's Office, and Las Cruces may be required to enter into a contract with the U.S. Bureau of Reclamation for groundwater as Rio Grande Project water. This may be feasible but the timing of that and potential problems are unpredictable.

This is a groundwater hydrograph showing water levels for one of the East Mesa production wells. An average decline in water levels of about five feet per year. Now this well and a neighboring well pump in combination between about 80 and 200 acre-feet per month for Las Cruces' water supply. This well is part of the City's comprehensive water level monitoring program. Which has been using a consistent methodology since 2011. We would use these monitoring data to develop the drawdown warning indicators to protect the aquifers.

This is a map of the Rio Grande Project provided by Bureau of Reclamation, Albuquerque Office with a 2002 date showing the project from the headwaters area in Colorado down to Amistad Reservoir at the Texas/Mexico border. The map gives a sense of the importance of this decision for New Mexico and our communities in the Rio Grande Valley. When we zoom in on this map a little bit, we see that even these closed basins to the west of Las Cruces including Corralitos Basin, Nutt-Hockett Basin, and Mimbres Basin are included in this Rio Grande Project boundary. The implications of that designation are unclear, but they're a strong hydrologic case can be made that these closed groundwater-basins are not tributary to the Rio Grande and shouldn't be considered Project water.

The basins I'm talking about in order of distance from Las Cruces to the west here, these closed groundwater-basins, the Corralitos Basin, Nutt-Hockett Basin, and the much larger Mimbres Basin are basins that have been identified in the 40-year plan, as potential sources of alternate supply for Las Cruces through a groundwater importation project. Corralitos Basin is closest to Las Cruces' existing infrastructure. The maximum water right that may become available, about 1,650 acre-feet is much less than water rights that could potentially become available in the Nutt-Hockett or Mimbres Basins. These are all largely "mined" groundwater-basins with groundwater pumped from storage and little recharge. In this sense, these resources cannot be considered renewable in the same way that the Rio Grande connected basin-fill aquifer of the Rio Grande Valley may be considered a renewable resource.

Another potential source of alternate water supply identified in the 40-year plan is reclaimed wastewater. The current estimated amount available, about 340 acre-feet per year. That's a relatively small amount compared to these potential groundwater importation projects. This may be considered a secondary priority due to that, as well as the current environmental regulatory environment, poses some challenge to using reclaimed wastewater. For example, if you're to do an aquifer storage and recovery project with reclaimed wastewater, the water would need to be treated to drinking water standards prior to injection into a well.

A change in the environmental regulatory situation could mean that you could do a reclaimed wastewater project at relatively low cost. If it was then determined that you could meet the objective of offsetting draw-down due to pumping, with say like an infiltration basin rather than an injection well. The permitting associated with that such as New Mexico Environment Department (NMED) Discharge Permit, State Engineer's Office Return Flow Plan, that may be more easily achieved. The City should discuss with the regulatory agencies' alternate approaches and alternate levels of water treatment.

Based on this discussion, we came up with a list of potential action items that could be taken in the 10-year time frame and that could be taken in the 10- to 20-year time frame. In terms of the 10-year time frame, we're looking at developing the drawdown warning indicators to protect the aquifers, updating

existing studies of available supply in the Corralitos, Nutt-Hockett, and Mimbres Basins. What that would involve would be developing a database of water rights, refining the estimate of water available from the Corralitos Basin, identifying potential pipeline routes, preparing a strawman development plan with a preliminary list of rights, and preparing planning level cost estimates. In terms of exploring the potential for reclaimed wastewater project, groundwater calculations would need to be made to determine what approach would be necessary. In order to return reclaimed water to the aquifer and meeting with NMED to discuss water quality standards and water treatment.

In terms of the 10 to 20-year time frame, looking at updating water demand projections as needed based on changing circumstances, completing ranking studies, more detailed case-by-case feasibility studies, engaging with water rights holders in the Corralitos, Nutt-Hockett, and Mimbres Basins, establishing an option agreement program where acquiring water rights up to the amount of the LRG-430 base water right, a little under 22,000 acre-feet per year, and selecting and designing a pilot project in order to verify the potential availability of water and general feasibility of a project. These are the ideas from the Action Plan that we wanted to present to you today. Thanks for your time, for listening, and just wanted to open up to questions or comments you might have.

Chair Little: Okay. Are there comments or questions?

Archuleta: I do. I have a question.

Chair Little: Go ahead, please.

Archuleta: Annie. Thank you for your presentation. Were you asked to also take a look at a much more aggressive conservation program?

McCoy: No. That wasn't within the scope for this action plan white paper.

Dr. Garcia: If I may jump in, Mr. Chairman.

Chair Little: Okay.

Archuleta: The reason I ask is I'm not sure what the per capita use of water is, maybe Rhonda knows what the per capita use of water is. I was looking at, I think it's the first slide you had which showed the low, the medium, and the high.

McCoy: Yes. Let me go back to it again

Archuleta: Because we have a slow...

Archuleta: ...Population growth forecast. It's about a 22% increase from 2020 to 2040, in the medium. Based on other cities that have done water conservation,

that's very doable, as you know. I was just wondering, I think we could probably meet our demand for the next 20 years, just based on an accelerated conservation program.

McCoy: Yes, I mean that was something we dealt with a lot with the 40-year planning process and looking at. I think that was 2016, I think was when we finalized that. Sort of taking an average gallons per capita day (GPCD) use for maybe the previous five years. Even though you've seen actually great trends under your conservation plan with GPCD use going down. Even from the previous version of the 40-year plan, 2008 to 2016, quite a savings in terms of GPCD use. Then looking at an achievable goal for the 40-year period and then using those data along with the population projections for population of the service area to come up with these water demand projections. Yes, but they may still be conservative. I think the low growth population projections were just straight-up based on historical average growth rate, like going back to maybe 1960 to present.

Archuleta: What was the change from 2008 to 2016, do you know, per capita?

McCoy: I can't remember. Between 1% and 2% annual.

Archuleta: Pretty small?

Dr. Garcia: Mr. Chair. Yes. To answer Commissioner Archuleta's question, we're in the process, we're working with our hydrologist Dr. Wilson, Wilson and Associates to update our water conservation plan and reporting. You'll see that probably at the next meeting. We're finalizing. That will show what changes we're proposing to the State. I don't know if it will be aggressive enough for what you want to see but it is going to be changing some of the goals and objectives that we have in the plan. That's why we didn't ask Shomaker to do it because we're already doing it with the hydrologist.

Archuleta: Right, I just know that importation is so expensive, and I know it's down the road a little bit. Conservation, I mean if you look at more education, enforcement, incentives, rebates and other kind of programs, it can be very effective.

McCoy: Yes.

Archuleta: It possibly could meet the demands in 20 years if it was assertive, pretty aggressive. We'll just wait and see what Dr. Garcia has to come up with as part of the Lee Wilson and Associates study.

McCoy: Right. We've already made huge strides I'd say. Even back to about 2005 to present, in terms of water conservation in Las Cruces. It's pretty impressive.

Chair Little: If I might. This presentation was aimed at, "If you're going to need more water supply, then here's a prudent course of action to get that supply: The

40-year Water Plan." Our responsibility is to come up with policy guidance for the whole package to meet the City's needs. That package will include augmented supply if need be. It will include more aggressive conservation. The last numbers that I ground through, we did about 160 GPCD overall for the whole City. About half of which was returned to the river, to make the river whole. We're not doing too badly as it stands but there are other opportunities. I believe today's presentation was, "If you decide that you need more supply, here's a prudent way to go get it." We've got a lot more work to do on that.

Sorg: I'm sorry. Mr. Chairman.

Chair Little: Go ahead.

Sorg: Yes. I'm curious on what the populations for 2040 are, in the high and medium growth. Do you have that number?

McCoy: That's documented in the 40-Year Plan. Like I was saying, the low growth I think was projecting, we try to use your best available data for what the current population served is and then project that out based on some annual growth rate.

Sorg: I know how it's worked, figured, yes.

McCoy: That may vary year to year or be constant throughout that time period. I think that was based on historical average growth...

Sorg: You don't know the numbers?

McCoy: ...Which averages out to be...

Dr. Garcia: If I may Mr. Chair. We can pull up the numbers if that's relevant. Let me clarify the objective of this plan. If you recall, when you all approved the 40-Year Water Plan we had removed the surface water alternative for obvious reasons. There's no water in the river. You could never pay it with the rates. Even with the rates modified as you have approved them. Putting \$120 million plant that will operate two months of the year and pay it over 20 or 30 years doesn't work numerically.

Sorg: Right.

Dr. Garcia: There were various reasons why we eliminated that. We have plenty of supply and plenty of water rights in the lower Rio Grande. The issue is not the growth rate. Regardless of the growth rate, if we're going to have institutional constraints in exercising our rights, is the question that we wanted to answer. That's why you see on page, think it's 10 the first set of options. The need for an alternate supply is not the lack of supply in the lower Rio Grande. It would be our inability to exercise our rights the way we

know them, and therefore going to other basins that are not necessarily river-connected and therefore, we have more flexibility. I just wanted to clarify that, that you could make assumptions at all levels of demand. You could be growing very slowly but if you are constrained of pumping the LRG-430 in the lower Rio Grande the way we are used to under State Law, then your growth doesn't make much difference. You still have to have an alternate supply and I think that was the discussion when we had the 40-Year Water Plan options introduced.

McCoy: I may have misspoken in terms of the historical growth. That may have been to rationalize the high growth projection. We've also used some growth projections presented by University of New Mexico (UNM)'s Population Statistics Group. There are quite a few regional planning documents that also present population growth estimates. Really for 40-Year Plan, we looked at all of that and figured out reasonably sort of what's the low, medium, high growth scenario.

Chair Little: The population projections are in the 40-Year Plan. If you look at...

Sorg: What page?

Chair Little: ...Page 42 of the water plan.

Sorg: Okay.

Chair Little: If you look at 2030 for example: High growth gives you 155,000 people; low growth gives you 135,000. All the way out to 2055, you're looking at 282,000 versus 183,000. Those are the projections I think from UNM. There's a nice little graph in here as well. If we are to talk about what we as a board want the Utilities Department to work on, we ought to come to some kind of consensus of, "Here are the issues that we want you to address." Now the Texas original action goes to trial, not this fall but next fall, 2020.

Dr. Garcia: Mr. Chairman. Marcy...

Driggers: If it stays on track, scheduled for fall of 2020.

Chair Little: That's an aggressive schedule?

Driggers: Yes.

Chair Little: We've got three to five years of not knowing anything at best.

Sorg: Mr. Chairman. This is my feeling: I think we'd better plan for the high growth. If we don't reach the high growth, we'll just be that much better off. Because I think we're going to get close to that, somewhere between the medium and the high. At least the Mayor wants us to get there. That's what he says.

Chair Little: It happens.

Sorg: Yes.

Chair Little: Why are we not surprised?

Sorg: Yes.

Chair Little: Commissioner Carmichael.

Carmichael: I agree with Commissioner Sorg. We certainly have got to get to the bottom of what the reasonable and aggressive approaches to conservation will be, how far that will carry us. My sense is though that I don't know if it's ten years or 20 years, but there's got to come a time when it goes beyond conservation I sense. You need to understand that and it seems to me it's going to take some very aggressive changes to what we're doing, not just in conservation but in additional supplies. If we're wrong then so be it but I think we've got to begin to think in terms of, "Where do we get the money to do it?" "How does that fit into rates?" "How do we save for that?" All the above. Then look at these kinds of objectives and opportunities, and then go find others perhaps. Thank you.

Archuleta: Mr. Chairman.

Chair Little: Go ahead.

Archuleta: Another comment. Annie, I was going to ask you, when you say you'd want to develop a drawdown warning indicator, what does that mean?

McCoy: With the water level monitoring program we've been collecting data using consistent methodology since 2011. Some of the wells in the program have water level data going back farther than that as well. It's active supply wells, it's inactive supply wells, monitoring wells in our area here in the Mesilla Basin and in the Southern Jornada Basin. We draw on these data to understand what sort of current drawdown trends are. We did some work for the 40-Year Plan to sort of develop like what would be a threshold of draw-down that you wouldn't want to approach in the aquifers, that could lead to some compression of aquifer and subsidence. Then you'd lose aquifer storativity, and so it would be sort of starting with that understanding, backing off of that, and understanding sort of what our current draw-down trends are, average rates of water level decline, does it look like that could be accelerating in areas and if so what would that project to?

Archuleta: It's a whole network of monitoring wells, right?

McCoy: Yes. It's pretty comprehensive and we do an annual monitoring report, yes. We'll just be drawing on those data in one of a number of ways you could

take to sort of develop some kind of warning of excessive draw-down, like if we continue going on this path here this is going to lead us within a certain time frame to approach excessive draw-down, yes and start to define that.

Archuleta: One of the programs Mr. Chairman that I really like, I know it's a small amount is the reclaimed water. Possibility of recharging an aquifer rather than spray irrigation. Tell me a little bit about the State regulations. You said if it goes to spreading basins there might be a credit, an offset whereas, if it's injection wells there's not. Is that correct?

McCoy: I don't know if it would be so much about the credit but what's important would be if we see that it's physically offsetting the drawdown due to pumping. I know that with spreading basins that you may have some reclaimed wastewater at the surface, and it may not be there continually. There may be issues with that so it's just one other option.

Archuleta: Right. One of the things you recommend is pilot plant, kind of pilot studies to kind of verify...

McCoy: Yes.

Archuleta: ...The treatment and the amount that could be recharged and the infiltration rate, that kind of thing.

McCoy: Even some simple groundwater calculations, groundwater modeling with that as the objective, because we do have quite a bit of hydrologic data for the area that we can utilize to look at some different approaches, yes.

Archuleta: Thank you.

Chair Little: Go ahead.

Sorg: One more question. Go back to the graph there where it shows the water level data...

McCoy: Yes.

Sorg: ...For the wells. The red dots mean that, I'm trying to interpret what you're saying.

McCoy: No, just a few different...

Sorg: The red dot means that's what the level of the water in the well is when it's pumping?

McCoy: When it's pumping, yes.

Sorg: That's dropping over 100 feet, isn't it?

McCoy: Yes. That can also vary just depending on what your pumping has been. There are a few things on this graph because it's from one of our annual water level monitoring reports. The thing that I really wanted to focus on was the decline in the non-pumping water level data which were the blue dots with that line that they're...

Sorg: Yes, in the Jornada Basin.

McCoy: Then just kind of giving you the context of the pumping data that were plotted on here as well.

Sorg: Did you do a regression line on the Wells 68 and 69? I wonder what that would look like.

McCoy: Yes, so this is Well 68.

Ed entered meeting at 2:30 p.m.

Sorg: Would that be a, show a steady decline, do you think? Just off the top of your head.

McCoy: Right. Yes, so this is Well 68 and I think 69 is similar.

Sorg: Yes. Okay.

Chair Little: Back to the pumping level, when you turn on a pump you get an immediate drawdown in the immediate vicinity of the well bore itself. That has almost nothing to do with a long-term water level. If you turn off the pump, the thing will jump back up to almost the top without that much delay. The red dots begin to be important as you begin to try and produce the bulk of your water from below, the top of the Santa Fe group, which is a lot tighter. That's where your water level warning is. It's about the top of the Santa Fe, right?

McCoy: Yes.

Chair Little: It would appear fairly straightforward to do that. As a matter of fact, I remember doing something like that for the Tucson Basin, when I was in graduate school. We won't say how long ago that was.

McCoy: Yes, and for some of these wells in the water level monitoring program, we have more pumping level data than for other wells, just whether they've had the opportunity to collect those measurements versus non-pumping water well measurements.

Chair Little: One of the things that Commissioner Archuleta mentioned is one of the things that I would like to also highlight. That is that the West Mesa Treatment Facility is kind of a dead loss. The water that is consumed is one

thing but water that goes to the lagoon and then goes to spray irrigation doesn't really meet any kind of beneficial reuse at all. It would seem to me as though even though it's not a whole lot of water, that it could be fairly straightforwardly diverted to either Jacob Hands or parallel to it and help to meet our demands for return flow to make the river whole and turn off those sprayers. Is that anything like doable?

Dr. Garcia: Mr. Chairman. Some time back we looked at returning as the Industrial Park grew if it had grown as anticipated in the plan to reach capacity. Which it's not at capacity right now, we figured that when we exceeded that amount, we would need some form of a pipeline back to the river. That idea was thought about but at larger discharge volumes, to justify the cost of several miles of pipeline down to the river. That idea was discussed some time back.

Chair Little: In terms of conservation and meeting requirements and so on, that would be a good change.

Dr. Garcia: Yes. It would return more water to the river but let me point out that today we are not offsetting any water rights back into the river. In other words, we have a diversion right of 21,869. We're already returning half, so we don't need return flows today. In the future we will because some of the West Mesa wells and East Mesa wells have some return flow requirements, offsets they call it. The 21,869 does not, it's a diversion right.

Chair Little: Right.

Dr. Garcia: Unless we change to federal environmental and state no longer applies, then all of that's out the window.

Archuleta: Mr. Chairman. Just for clarification, my thought was not to return the water to the river but to actually use a retention pond/spreading basin to return it to the groundwater and so store it.

Sorg: Yes. That's good.

Chair Little: Turn it to some beneficial use instead of turning it into a spray gun.

Archuleta: Right. Evaporation.

Chair Little: Right. Dr. Johnson.

Johnson: Yes. You had used the figure for the reclaimed water of 345 acre-feet per year. Which is about 7%, if I mentally did the math right of our use, and it seems like that's a gross underestimate of the possibility of that and I...

McCoy: That was based on what would be generated in a few of the winter months when the reclaimed wastewater wasn't being used for irrigation the rest of the year. We have customers for that the rest of the year.

- Johnson: ...Unlike pumping water from other basins or other things, reclaiming and then getting the reclaimed water back into the water table, gives us self-sufficiency. I agree that it's probably very expensive and, but it may be at the end the only thing we can do. I'm not sure how likely it is we could even get water rights to pump from these other basins, much less the cost of importing that much water.
- Chair Little: We have customers for the reclaimed water during the growing season.
- Johnson: Right.
- Chair Little: Those customers are buying our reclaimed water in lieu of...
- Johnson: Yes, and then, and...
- Chair Little: ...Buying fresh water.
- Johnson: ... I think that the 345 says without selling it that way, that's still an underestimate of how much we could produce. If we went at it more aggressively reclaiming water.
- Chair Little: That's just the capacity of that plant, right?
- Johnson: Yes. At 7% of our use it clearly underestimates the potential we could get there. I think your experience in El Paso shows that you can do a lot more with reclamation than...
- Archuleta: A lot more, right.
- Johnson: ...Than you first feel like it because it, just the idea of using reclaimed water but when we go up in space, we live on that.
- Archuleta: That's for sure.
- Johnson: There's a lot more possibilities there.
- Archuleta: Yes, I agree. As I mentioned earlier, I think accelerating conservation and focusing more on reuse are two good options. At the same time, I think that we study importation and study these aquifers. I agree with Commissioner Sorg that we ought to use the maximum population. With the most aggressive population even though it may not be reality. In the end we don't know but I think let's plan to, it's wise to plan for the worst case...
- Johnson: Right.

Archuleta: ...As opposed to a lower number. I really think that we ought to continue to explore the possibility of importation recognizing there're some other options.

Chair Little: About half our water use is residential. What is in non-revenue water aside from fire flow tests?

Dr. Garcia: Line flushing for example, water quality issues.

Sorg: Leaks?

Dr. Garcia: Well yes, structural, infrastructure issues but also line flushing. Sometimes we have to flush our lines. Just a side comment, with one of the things we've observed with conservation, I call it, "the dark side of conservation," is we've had a lot of water quality issues. We've designed a system over the years to have fire protection at approximately 1,000 gallons a minute even in small subdivisions and cul-de-sacs. Now we have a situation where we may have conservation, we have complaints from customers that they want to conserve more and more.

Therefore; they don't flush their lines and they don't use much water so there's a water quality and a health issue. Number two, we're having to flush the lines right, because the water is not fresh because it was sitting there for fire protection. There's a whole, it's not just, "Let's conserve to the point that we have 100 GPCD." There's going to be consequence of water quality, consequence in system infrastructure problems and flushing. Now some of the nonrevenue water has gone up as our water conservation per capita has gone down because of having to keep the water quality. Because we have a high iron and manganese our water gets dark if it sits. Just that commentary because it's not as simple as some may believe.

Chair Little: Okay. Other comments?

Dr. Garcia: If I may Mr. Chairman. Can we go to your slide ten? One of the things we need from the Board today is I'd like to see bullet by bullet what you agree to do or you don't agree to do so that we can start doing it. What is shown in the 10-year horizon is not very costly, it's very proactive. With the addition of more aggressive water conservation discussions that we can address with a revamped water conservation plan and probably enhancing the idea of water reclamation. It will be interesting to see if any of you do not agree with any of those bullets. There are specific items in each of those bullets for us to move forward.

Again, we're not buying water rights or building pipelines at this point. But we are understanding what that alternative or importation would be. With that caveat of adding more emphasis on reclamation, which is what I'm hearing, right? Potentially aquifer injection and if we could work with the State on aquifer injection, that would be great. Then the accelerated or additional conservation efforts which we will present to you as part of the

revised plan. With those two additions, is there anything in that slide on the 10-year horizon that the Board is not interested in pursuing? I guess we need some kind of direction along those lines.

Sorg: We'll probably have to change once the Texas case is decided.

Dr. Garcia: It's always possible Commissioner.

Sorg: Yes.

Chair Little: Not "probably."

Sorg: Yes. Not "probably" actually.

Chair Little: As I said earlier, we are going to be in the dark on that issue for...

Sorg: Yes.

Chair Little: ...Prudently 3- to 5-years. As I said earlier, I thought that this whole thing was a prudent way of going forward. This is a Work Session so we can't really vote on something, but we can take the sense of the Board. I'm going to assert that the sense of the Board is that all of the items on the 10-year time frame slide are proper and prudent. If we can all of us nod our heads over that, the Department is free to go ahead and flesh those out.

GENERAL OVERALL CONSENSUS

Chair Little: I think we will also ask that the next time during Board general discussion anybody who has any further general comments be free to share those at that time. At the moment based on the nodding of heads, Dr. Garcia the Department is free to pursue those action items and to keep us informed as to the progress. Then we will wait for Wilson and Associates and revisit the idea of more aggressive or more, hate to use the term, but out-of-the-box items to pursue. Okay. Everybody nodding their head over that? I know that we want to go on with the Business Plan during this Work Session as well.

Dr. Garcia: Yes.

Sorg: Could I ask one last quick question?

Chair Little: Of course.

Sorg: The Jornada Bolson. Is there any amount of water we can remove from that and have the Bolson be sustainable? I mean really, we're just drawing it down all the way.

Dr. Garcia: Mr. Chairman, Commissioner Sorg. I'm not a hydrologist but...

- Sorg: Yes.
- Dr. Garcia: ...My professional opinion is that no, it's a mined basin and it will...
- Sorg: Yes, okay.
- Dr. Garcia: ...Continue to decline. There's other users and the outflow is larger than the inflow and therefore, it's a negative change in storage....
- Sorg: Yes. No matter if we just take one gallon out either.
- Dr. Garcia: Well there's others. We cannot control all the pumping. Remember there's private wells...
- Sorg: Yes.
- Dr. Garcia: ...Then there is Moongate Water and...
- Sorg: That's right.
- Dr. Garcia: ...The Jornada Bolson has other users, which we don't have any control over.
- Sorg: Okay. Thank you.
- Chair Little: One of the things that is beyond the ken of this Board is the issue of externalities of all different kinds.
- Sorg: Yes.
- Chair Little: At some point in the future, we should probably turn to the Department and the City and say, "You need to be talking to your neighbors." Okay. Given that, shall we adjourn?

2. PEAK Strategic Business Plan

- Dr. Garcia: We're ready for the next item Mr. Chairman, or are you...
- Sorg: There's another item.
- Dr. Garcia: Going to take a short break?
- Chair Little: Okay.
- Dr. Garcia: We have the Strategic Plan item.
- Chair Little: Let's begin. Everybody happy to go ahead with the Strategic Plan?
- Dr. Garcia: Mr. Chairman. This is again a Work Session item. We are not voting on this item. We would like your input, your thoughts, and recommendations. We

had a citywide effort of developing strategic planning that Mr. Ed started when he came here. Several departments have gone forward and developed their plans. We were towards the tail end. Our plan is very extensive as you have probably seen. This is an effort from a large group of individuals that I would like to commend and it's an effort throughout all levels of the organization.

This is not the Director and the administrators getting together and developing a plan. We involved people at all levels, the whole Utility. Let me introduce everybody that was in the core group. Can you stand up, please? Okay. Thank you. They did a great job, worked very hard to come up with ideas. I cannot take credit for a lot of the work they've done. It's really an effort of the group and they presented that to us, they presented it to City Management. City Management approved it for you to review it today. Thank you.

With that, we also have a core group that did the presentation and I'm going to have a couple of them do the presentation. Here's the core group that did the presentation. They voted themselves, a couple of them, that will do the actual PowerPoint. What I ask you is, since we have a large group involved let's try to go through the PowerPoint. You have a hard copy of the Plan in front of you so we can address any detail you want, and others will come up to help answer some of the questions.

Chair Little: Okay.

Dr. Garcia: Okay? Is that okay with the Chairman?

Chair Little: Certainly. On behalf of the Board, thank you all for this. It clearly was a lot of work.

Dr. Garcia: Robin.

Lawrence: Good afternoon Chairman and Commissioners. Robin Lawrence with the Solid Waste section. I'm going to start out by talking about our previous Utilities mission statement which read, "The Las Cruces Utilities provides reliable, safe, and cost-effective utility services to citizens of the Las Cruces area." However, as the City transforms into a high-performing organization that is customer-focused and results-driven. Las Cruces Utilities is focusing on continuous improvement and embracing the philosophy of PEAK Performance which stands for: Perform the mission, Evaluate measures, Assess outcomes, and Keep climbing (PEAK). Based on our work in PEAK Performance, our new mission reads as, "The mission of the Las Cruces Utilities Department is to provide natural gas, water, wastewater, and solid waste services to ratepayers so they can enjoy a safe, healthy, and productive environment."

As Dr. Garcia mentioned, the core team consisted of 17 Utilities staff from the front line up to the Director. Together we performed a thorough assessment of the future and we identified 148 issues and trends. An

example of one of these issues is, how industrial users don't necessarily follow our Water Conservation Ordinance. Our core team then grouped all of these issues into the current eight Issue Statements that identified impacts on customers and utilities, and the long-term negative effects if we don't address them. The Strategic Results provide a way for the Utilities Department to consider and to formulate five Strategic Result Goals in the context of that future. These Strategic Results align with our Issue Statements, which will be accomplished within a two- to five-year time period and it aligns with the Department's Strategic Plan to the City's Strategic Results.

As the Utilities Department is one of the largest in the City, ten Lines of Business were identified resulting in 40 programs, each of which have several program services.

Ed: Can I say something really quick? Mr. Chair, Board Members. I just wanted to make two comments before we continue on. Can you go back to that previous slide?

Lawrence: Yes sir.

Ed: The first comment I wanted to make was there's a reason why the Utilities Department was at the end, one of the last departments. That's because they're one of our very best departments. We put the departments first that we wanted to give immediate attention to and get them going on PEAK. I think it's a credit to everybody, all the associates from the Utilities Department that are here today. Thank you for your hard work. There's a reason why you weren't the first and that's a real attribute to you.

The second thing that I wanted to say was each one of these department plans, you'll notice the second bullet on the left. They have Issue Statements. Every single one of them has significant Issue Statements. When we reviewed this process, my question to long-time public administrators like myself, Dr. Garcia, and many others in the room, "How often have you formalized issues facing your department?" The answer to that is, "That typically happens once a year." It typically happens in the framework of the City Manager telling the department head, "We're going into a budget. We're going to maintain level services and if you want to ask for anything more give us a program improvement request but level services."

It's only then when the department heads will say, "Okay. Well I would like to add, I need additional resources to address these items." When it's constrained by the budget and it's constrained on a very short timeline, basically the next fiscal year. It's really not codified in writing. It may be a part of the budget document but it's really a short perspective, in terms of time. What I think is truly valuable and I think adds credibility to this process

is that we're asking all those folks that stood up, we're not asking them, "Tell us all the great stuff you're doing." We're saying, "What are your issues?"

More so, we're not just asking you about those, we're putting those in writing, we're putting them in the document. It's your way of telling the City Manager and the policy makers that these are the things that if we don't address, this is what the opportunity cost is. I think that lends a lot of legitimacy to these strategic plans. It's not something that you see very often. We always talk about honesty, we talk about integrity, we talk about transparency. It's one thing to talk about it, and it's another thing to walk it. The fact that those Issue Statements are codified, formalized, and are the very first thing that you see when you open that document, that's not a small step for the City.

That's not a small step for this organization. That's not a small step for any organization because most organizations aren't willing to do that. I think that's just a bullet on the left, that's one of four bullets. That's a huge step, I think. If we're going to get better we got to know where we're at, we got to know what our issues are. We got to know how to get to a better place. It starts with identifying the issues, doesn't it? Anyway I just wanted to mention that to the Board. Thank you.

Chair Little: Thank you.

Lawrence: Okay. As an overview, lines of business are the highest level of operations within the department such as Natural Gas Operations or the Director's Office line of business. We will go over each line of business in further detail later in the presentation. Lines of Business provide a high-level overview of operational results and direct alignment to strategic results. The lines of business contains programs and services. Each Line of Business has a purpose statement and key results and then programs form the building blocks for the Department's strategic business plan and performance-based budget programming. Programs support results-oriented management and ensure that the Department and its associates understand why they're doing and what they're doing. In terms of benefits clearly identifying customers. Each program has its own purpose statement, Family of Measures which include results, outputs, demands, and efficiencies, a program manager, and its own budget.

Issue Statements summarize the issues and trends that will have a major impact on the customer and subsequently on the Department over the next two to five years. Here we have summarized our issue statements, for instance: Not replacing our aging infrastructure will have significant impacts on both the Utility and our customers. Institutional water customers not complying with our Water Conservation Ordinance. The current regional water conflict between Texas, New Mexico, and Colorado, as well as having a lack of having a strategic utilities communication plan to clearly convey information to our customers. Other important issues included the difficulty

we have effectively hiring and retaining a qualified workforce, having unmet demand for natural gas services as desired by our customers. As well as the inability to meet the increased demand for services, while not receiving adequate support from other internal City operations.

Strategic Results provide the way for departments to consider their future and to then formulate strategic results in the context of that future. This aligns the Department's strategic business plan to the City's strategic results. Strategic results describe in measurable terms the significant results that the department must accomplish over the next two to five years in order to proactively respond to the critical trends, issues, and challenges on the horizon. We have identified the following strategic results to be accomplished over the next two to five years: We will replace critical infrastructure and equipment necessary for the delivery of essential utility services.

Vasquez exited meeting at 2:58 p.m.

The Las Cruces Utilities Department will be viewed and treated as a customer by the City's internal support functions. Our customers will continue to benefit from the Department's safe utilities practices and contribute to recycling and green waste-based best practices. We also anticipate an increasing proportion of ratepayers located within the Las Cruces Utilities Department's service area will reduce their energy costs. The Las Cruces Utilities Department will maximize its share of the natural gas market and we will function as a high-performing organization.

There are 10 Lines of Business associated with the Utilities Department. Which we're going to go into further detail here in a minute. Some of these currently align with existing Utility operations such as: Water Operations and Maintenance, and Solid Waste Collections. However, we have also identified new lines of business in order to better align with our customers' needs. For example, the Utilities Environmental Line of Business incorporates our Water Conservation and Green Waste aspects of our customers' expectations. The Customer Engagement Line of Business, focuses on providing the community with the information and education they desire regarding Utilities and the services that they receive. As well as our Regulatory Compliance and Training, focusing on ensuring associates receive all the necessary training and certifications. In order to provide our customers with exceptional and continuous utility services. Now I am going to turn it over to Filiberto Aguirre and he's going to talk to you specifically about the individual lines of business.

Aguirre: Good afternoon Chairman, Commissioners. My name is Filiberto Aguirre, Jr., and I am a Line Locator for the Water section.

Sorg: Beto? Gilberto?

Aguirre: Filiberto.

Sorg: Okay.

Aguirre: You can say Fili. I will be discussing the 10 Lines of Businesses. First, the purpose of the Office of the Director Line of Business is to provide leadership to the Las Cruces Utilities Department and policy implementation services for associates, the Utilities Board, City Manager's Office, and City Council so they can better understand the utilities services offered, expand utilities services, make well-informed decisions, and support the growth of the local economy. There are three key results, one of which is by 2020, 80% of Board, Commission, and City Council Members, will report that they received the information they need to make informed decisions. There is one program which is Administration. Within the Family of Measures there are ten results, one of which is beginning in 2019, 100% of department associates will know what is expected of them and how they align and contribute to the goals of the department as evidenced by their annual work plans and performance conversations being aligned with the Department's Strategic Business Plan.

The purpose of the Natural Gas Operations and Maintenance Line of Business is to provide natural gas to ratepayers and surrounding communities so they can experience a safe and dependable supply of natural gas. There is one key result, which is by 2023, 70% of residents in our service area will live in areas that are served by natural gas. There are five programs, one of which is, natural gas construction and maintenance. Within the Family of Measures there are six results, one of which is by December 2020, 80% developed areas in the northeast natural gas service area will have natural gas services available east of I-25, north of Westmoreland.

The purpose of the Water Operations and Maintenance Line of Business is to provide water to ratepayers so they can experience reliable and sustainable water utilities. There are four key results, one of which is, by July 1, 2021, rehabilitation of water reservoirs infrastructure will begin. There are four programs, one of which is Water Productions. Within the Family of Measures there are three results, one of which is by July 1, 2019, replacement and rehabilitation of critical water well infrastructure will begin.

The purpose of the Wastewater Operations and Maintenance Line of Business is to provide wastewater services to ratepayers so they can experience reliable and sustainable wastewater services. There is one key result, which is, 97% gallons of recycled water resources that are safe for human contact. There are five programs, one of which is Jacob Hands Wastewater Treatment Facility. Within the Family of Measures there is one result, which is, by July 1, 2022, replacement and rehabilitation of essential solids handling infrastructure will begin.

The purpose of the Solid Waste Collections Line of Business is to provide solid waste services to ratepayers so they can experience reliable and sustainable solid waste service. There is one key result, which is by July 1, 2023, year-

over-year solid waste equipment and vehicles will be replaced on schedule. There are four programs, one of which is, solid waste residential collections. Within the Family of Measures there are three results, one of which is, 2% residential container pickups not serviced.

Sorg: What does that mean?

Aguirre: Refer that to you?

Sorg: Beto? What does that mean, "not serviced?"

Lawrence: What that means is we get calls for customers every day or weekly saying, "Hey, you missed my container." We track those calls. Out of the 35,000 cans we pick up every week, we only get 2% of those as callbacks that we didn't pick up...

Sorg: You missed.

Lawrence: ...For some reason or another.

Johnson: That's what you're moving towards or that's what you are today?

Sorg: That's my question.

Lawrence: That's our goal and we're pretty close to that right now. Our tracking of that will actually improve once we get the Routeware established. Those are only the phone calls that we receive from customers where the Routeware will tell us and why we didn't miss it, so we can actually have better information moving forward.

Sorg: Okay.

Aguirre: Okay. We continue. The purpose of the Utilities Environmental Line of Business is to provide environmental services to ratepayers and surrounding communities so they can experience reliable and sustainable utilities. There are three key results, one of which is, by 2020, 20% institutional customers will reduce their water usage by an average of 2% following the Department's outreach intervention. There are three programs, one of which is water conservation. Within the Family of Measures there are two results, one of which is 5% change of water waste violations from 535 to 508 annually.

Sorg: Wait a minute.

Chair Little: Let's let these people run through this, make some notes. Otherwise we'll still be here past supper.

Aguirre: Moving on. The purpose of the Customer Engagement Line of Business is to provide information, education, assistance, and billing services to ratepayers and neighboring communities so they can be aware of and utilize utilities services while using the community's natural resources more efficiently. There is one key result, which is, 50% program participants surveyed who report that they will use the information gained from customer outreach. There are seven programs, one of which is, customer outreach. Within the Family of Measures there are four results, one of which is, beginning in 2020, 85% annual survey respondents will report that they know what materials they should and should not put down their drain or flush.

The purpose of the Revenue and Financial Reporting Line of Business is to provide rate and economic analysis and utility services to Las Cruces' utilities program so they can be adequately funded. There is one key result, which is Las Cruces Utilities' rates will be evaluated every four years or less to ensure utility rates are reasonable and provide adequate revenue. There are four programs, one of which is rate and economic analysis. Within the Family of Measures there are three results, one of which is, 70% purchases correctly coded to program line items.

The purpose of the Regulatory Compliance and Training Line of Business is to provide regulatory compliance and training to Las Cruces utilities programs, so they can operate within State and Federal requirements and be technically proficient. There are two key results, one of which is, 90% inspections that do not result in findings or violations. There are five programs, one of which is, water quality laboratory. Within the Family of Measures there is one result, which is minimum of 2,880 samples and 10,410 tests will be completed to ensure water is 100% safe to drink.

Finally, the purpose of the Utilities Support and Project Management Line of Business is to provide engineering, design, construction, analysis, reporting, monitoring, and public outreach services to City departments, developers, and the public so they can develop, construct, operate, and experience reliable and cost-effective utility infrastructure. There is one key result, which is 90% projects completed on time within budgets. There are two programs, one of which is technical support. Within the Family of Measures there are three results, one of which is, 95% projects managed by Las Cruces Utilities which do not experience failure due to design or construction within the first year of acceptance. Thank you.

Chair Little: Now questions. Commissioner Sorg?

Sorg: I was a little surprised about the unmet natural gas service. I didn't realize we had that many people that it was a concern that want natural gas and they can't get it, or what? Explain what you mean by that.

L. Garcia: Lucio Garcia, Gas Administrator for the City of Las Cruces. Our service area extends beyond the City of Las Cruces city limits and there are areas where we do not have the infrastructure to provide service to our customers.

- Sorg: Are they all outside the City limits?
- L. Garcia: There are some within, but the majority are without...
- Sorg: Okay.
- L. Garcia: ...Within the County, yes.
- Sorg: Yes.
- Dr. Garcia: If I might add Mr. Chairman.
- Sorg: Sure.
- Dr. Garcia: The areas that were negotiated and inherited from the Rio Grande Natural Gas Association. When the City split with Hatch, left a lot of areas that still have propane. Staff identified correctly that we have customers out there that if we get a plan and run the lines to those in developed areas, we can gain gas customers because propane is quite a bit more expensive. Talavera is one example of an area but there are other areas in the northeast part of town, outside City limits, that have tremendous potential and staff identified those areas as sort of readily available to go serve with some line extensions and try to convert those customers.
- Sorg: Yes, that's fine. There's going to be some big changes in this state with some bills going through the State Legislature that might allow these people to have solar energy and not need the natural gas. I don't know how that figures in with what we do here. It may not figure at all. Just that's just to keep in the back of your head. The other thing is the water violations. You say you had 535 per year or in the last year or one year?
- Diaz: Chairman, Commissioners. Rhonda Diaz, Water Conservation Program Coordinator. That was as of the time that the plan was written, so it was about from January through October.
- Sorg: Yes.
- Diaz: Was that...
- Sorg: ...You actually had that many?
- Diaz: ...We have.
- Sorg: Guess what? We're missing a bunch yet.
- Diaz: Yes. We're gearing up for a very strong program coming up.
- Sorg: Good.

- Diaz: Yes sir.
- Sorg: That's what I like to hear because it's right on my street. I even tell my neighbors, I says, "You can't run water down the street like this."
- Diaz: Thank you. Call me.
- Sorg: I want to be a good neighbor too.
- Diaz: Yes. I understand.
- Sorg: Okay. That's what I was surprised you got that many. Yes, I hope we, these people learn that, what they can and can't do, yes. Thank you.
- Diaz: This isn't only the water running down the street. These are, they...
- Sorg: Off hours, off days, yes. I know.
- Diaz: ...Exactly. Daytime watering and things like that too.
- Sorg: Yes, there's that I see too.
- Diaz: Okay.
- Chair Little: Other comments or questions? Okay, Commissioner Carmichael had his hand up first.
- Carmichael: Yes. Just a question, I guess. What you want in terms of feedback from the Board from, this is a wonderful document. A lot of hard work obviously has gone into what's not, the only thing that's not clear to me is, "What is it that you want back from us?" It's a very detailed document. It's going to take a little time to go through it. It's the first time we've seen it.
- Dr. Garcia: Mr. Chairman.
- Carmichael: Where do we go from here? What do we...
- Dr. Garcia: Commissioner. One of the things, over the last couple of years the Board has brought up certain issues. One is the more frequency of doing rates for example, which is in here. What we would like you to do is take your time to review the document and see if there are any elements that you've brought up repeatedly that are not there. We think we've captured a lot of the major ones but if there's something that the Board feels that is strategically critical that we have not addressed in this document, then we want to know that. I think that's the input we need. Again, some of them are there because we specifically talked about those. I think any input you can provide or any

additions or clarifications like Commissioner Sorg was asking, that's exactly the feedback we need.

Carmichael: How would you like that communicated if we have feedback?

Dr. Garcia: One of the things we could do Mr. Chairman, Commissioner Carmichael is have as part of the Administrative Report at the next meeting, to have a comment period or a comment time where we can get additional input from you.

Carmichael: Okay.

Dr. Garcia: I know it's a very detailed document. You've had it for a couple of days but still it takes a while to go through or thinking. We want to make sure that there's nothing that the Board has talked about over the last like I said couple of years that we have totally ignored or forgot about, it's possible. We think we've addressed because we've talked, well the Board wanted this or the Board wanted that and we added those. There may be things that you think are priority that they need to rise, or we need to modify something or insert it somewhere in here.

Carmichael: Thank you.

Chair Little: All right. Now Commissioner Archuleta.

Archuleta: Yes. Can I give you a couple of comments now Dr. Garcia?

Dr. Garcia: Sure.

Archuleta: Yes, first of all I agree that this is a very comprehensive plan and it's a tribute to the administration and staff to have developed this. When you look at the issues, I think the issues seem to be really well-defined. I think, I couldn't think of anything that's come to my attention that's not in the big issues that you've defined. One of the things we did talk about, and maybe it's in language but we did talk about not necessarily evaluating but reviewing rates every year during the budget process. I realize that there, maybe a formal evaluation might not occur, but I think, Dr. Garcia as you said now, you have the financial models. We did talk about reviewing rates during the budget process particularly because this document is going to have obviously some financial implications to implement. I think it's important, it doesn't necessarily mean that there's a rate change but there's an analysis to kind of look at it every year.

The second point is with regard to the projects completed on time. I realize not every project's going to be completed on time within budget, but 90% seems to be a little bit low to me. You'd like to have projects, 100% of them completed on time within budget because even one project that goes bad, has a big impact on the utility. I don't know what the number should be but

somehow 90% seems to be a little bit low, for projects to be completed on time within budget is my thoughts. Thank you.

Sorg: I would agree with Mr. Archuleta, yes.

Chair Little: Okay. Commissioner Johnson first.

Johnson: Yes. Again, on your 90% projects completed on time and within budget, this is just a question. Does "within budget" mean you met it in considering the contingency or you met it?

Clark: Chairman, Commissioner. That would be correct considering the contingency, since it's awarded, that's part of the budget that's awarded to that project.

Johnson: Having to move into contingency means you didn't meet budget?

Clark: No, no, no. If I understood you correctly, when you award the project it has contingency so that would be part of the project itself. If we had to move into the contingency to complete the project, it's still completed within the budgeted amount.

Johnson: Okay. That's what I was afraid of.

Chair Little: Okay. Having been on the other side of the table more often than on this side, I don't see any problem at all with 90%. If the world will not intrude, we can get our work done just fine. My only comment is as you proceed forward with this whole document, where you have the opportunity, are you accumulating baseline numbers? That is, where do we stand this year on numbers of complaints about cans, that sort of thing?

Dr. Garcia: I don't know if the Manager wants to go before me but I think we have some...

Ed: I've got something but go ahead. Go ahead.

Dr. Garcia: ...Yes. Mr. Chairman. We have a lot of these measures or a baseline. Part of the process is to use the reporting capabilities of a system that we have, Luminous, and we will be loading in our website the baseline numbers that we have now. Some of the measures will require new data being collected.

Chair Little: Obviously.

Dr. Garcia: As you know it's massive. Some we already have and that will be the baseline and then we'll start reporting from there.

Chair Little: Thank you.

Dr. Garcia: I think the Manager would like to add to that.

Ed: Well I just want to talk about goals, standards, a 100%. I'm going to share with the Board that I've directed each of the departments that a 100% goal is not achievable. This is not a utopian document. It's not a policy document. It's an administrative guide. Even aircraft maintenance doesn't achieve 100% perfection. Nothing is perfect, I want this to be realistic. I want it to be real-life. I want it to be something that we can ask our staff to honestly strive for. I certainly recognize the wish of always, 100% of projects being on time on budget. The fact is that's not going to happen. I like the idea of a baseline, baselining where we're at. It's good to identify as an organization what our past performance is, using that as a gauge. It's also a good practice to identify national benchmarks and see how we stack against those. The thing that I'd like to see in terms of standards is if we're not a best practice in a certain area, I want to get better.

We're not going to be the best in every task that we have on here. We're not going to be a national best practice in everything. We want to strive for that but the reality is we're probably not the best practice in every single task. Having the balance between where we're at, having the balance of best practices and where we want to go. I guess what I would say is that we wanted this to be a realistic document, a real-life document. At the end of the day my guidance to, there's a dirty secret. I always say this. There's a dirty secret to PEAK Performance and I'm going to share it with you all but everybody's got to promise not to tell anybody. The dirty secret to PEAK Performance is: It's really not the measures, it's the measures but it's not whether we're red/yellow/green, whether or not we're achieving those objectives.

That's what we really want to do is measure where we're at and measure where we're going, and at the end of the day the reality is we just want to get better. That's it. We want to get better. You can be red, you can be all green but what you really, what I'm really looking for and I think that what we all want to strive to do is be a high-performing organization. The mark of a high-performing organization is not that you're the best in everything because that's not achievable. The mark of a high-performing organization is that you're constantly improving because no organization is perfect. There's not a perfect organization on the planet. We have to measure where we're at and we have to have a focus on where we're going and make that to where it's understandable. At the end of the day we want to get better. We always want to get better in everything that we do. If we're doing that then we're going to be a high-performing organization. Thank you.

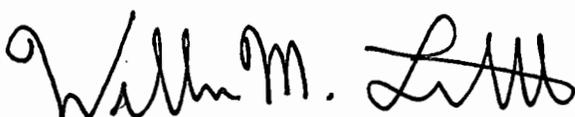
Sorg: Mr. Chair.

Chair Little: Just a moment, okay. Thank you. Now Commissioner Sorg.

Sorg: Well let's consider that 90% on project completion and on budget as their PEAK and then we're going to keep climbing.

- Ed: Well that's the idea. I think Commissioner Archuleta's point that 90% isn't the mark that we need, I'm not disagreeing with that. Maybe it's 93%, 94%, or 96%. It shouldn't be 100%. If I see 100% as a standard, as the goal, I'm telling directors they have to be more realistic because that's just not achievable. Okay. Thanks.
- Chair Little: All right. Thank you. Anything else? Okay. The request to the Board is to consider the 83 pages in greater depth and to highlight anything that we think is missing during a to-be-scheduled comment period, probably during the administrative report in March. Is there anything else to present on the Business Plan?
- Dr. Garcia: Nothing else Mr. Chairman. We look forward to any additional input. Just to answer Commissioner Archuleta, he is correct on the rate portion. Once we have the models we'll be evaluating. I think what I had committed to the Board is that we will be evaluating the rates also as part of the budget process. When we approve the budget and we have the model we will know where we are. This refers more to going through the process again and...
- Archuleta: Right.
- Dr. Garcia: ...You recommending to the City Council and all that, we don't want to wait another 10-years.
- Archuleta: Right.
- Dr. Garcia: Yes.
- Archuleta: Okay. Thank you.
- Dr. Garcia: Evaluation and monitoring as part of the budgeting will be done on an annual basis.
- Chair Little: Okay. All done?
- Dr. Garcia: That's all for the Work Session Mr. Chairman.
- Chair Little: Let us adjourn the Work Session.

Meeting was adjourned at approximately 3:25 p.m.



William M. Little
Las Cruces Utilities Board Chair



Date