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, productive, and sustainable environment.

Utilities Customer Central: 541-2111  https://www.las-cruces.org/180/Utilities
# CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>LINES OF BUSINESS AND PROGRAMS</td>
</tr>
<tr>
<td></td>
<td>Mission Statement</td>
</tr>
<tr>
<td>04</td>
<td>STRATEGIC BUSINESS PLAN</td>
</tr>
<tr>
<td></td>
<td>Issue Statements. Strategic Results</td>
</tr>
<tr>
<td>05</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td></td>
<td>Interim City Manager</td>
</tr>
<tr>
<td></td>
<td>Welcome to Ifo Pili, City Manager</td>
</tr>
<tr>
<td></td>
<td>Las Cruces Utilities Board of Commissioners</td>
</tr>
<tr>
<td>06</td>
<td>LETTERS FROM THE</td>
</tr>
<tr>
<td></td>
<td>Las Cruces Utilities Director</td>
</tr>
<tr>
<td></td>
<td>and Assistant Utilities Director</td>
</tr>
<tr>
<td>07</td>
<td>OFFICE OF THE DIRECTOR</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
</tr>
<tr>
<td></td>
<td>Senior Office Manager</td>
</tr>
<tr>
<td>08</td>
<td>NATURAL GAS Operations and Maintenance</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Administration</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Construction and Maintenance</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Pressure and Service</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>09</td>
<td>WATER Operations and Maintenance</td>
</tr>
<tr>
<td></td>
<td>Water Administration</td>
</tr>
<tr>
<td></td>
<td>Water Meters, Valves, and Hydrants</td>
</tr>
<tr>
<td></td>
<td>Water Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>10</td>
<td>WASTEWATER Operations and Maintenance</td>
</tr>
<tr>
<td></td>
<td>Jacob Hands Wastewater Treatment Facility</td>
</tr>
<tr>
<td></td>
<td>Wastewater Line Maintenance</td>
</tr>
<tr>
<td></td>
<td>East Mesa Reclamation Facility Reclaimed Water</td>
</tr>
<tr>
<td></td>
<td>Wastewater Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>11</td>
<td>SOLID WASTE Collections</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Administration</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Residential Collections</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Commercial Collections</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>12</td>
<td>UTILITIES ENVIRONMENTAL</td>
</tr>
<tr>
<td></td>
<td>Water Conservation</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Green Waste, Compost, and Recycling</td>
</tr>
<tr>
<td></td>
<td>Griggs-Walnut</td>
</tr>
<tr>
<td></td>
<td>Utilities Environmental Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>13</td>
<td>CUSTOMER ENGAGEMENT</td>
</tr>
<tr>
<td></td>
<td>Metering Infrastructure</td>
</tr>
<tr>
<td></td>
<td>Field Services</td>
</tr>
<tr>
<td></td>
<td>Utilities Billing and Receivables</td>
</tr>
<tr>
<td></td>
<td>Customer Engagement Charts. Line of Business</td>
</tr>
<tr>
<td></td>
<td>Featured Programs</td>
</tr>
<tr>
<td>14</td>
<td>REVENUE AND FINANCIAL REPORTING</td>
</tr>
<tr>
<td></td>
<td>Rate and Economic Analysis</td>
</tr>
<tr>
<td></td>
<td>Utilities Building Administration</td>
</tr>
<tr>
<td></td>
<td>Utilities Warehouse</td>
</tr>
<tr>
<td></td>
<td>Revenue and Financial Reporting Charts</td>
</tr>
<tr>
<td></td>
<td>Line of Business. Featured Programs</td>
</tr>
<tr>
<td>15</td>
<td>REGULATORY COMPLIANCE</td>
</tr>
<tr>
<td></td>
<td>Water Quality Laboratory</td>
</tr>
<tr>
<td></td>
<td>Industrial Pollution Prevention</td>
</tr>
<tr>
<td></td>
<td>Foothills Landfill Closure Post-Closure</td>
</tr>
<tr>
<td></td>
<td>Regulatory Compliance Charts</td>
</tr>
<tr>
<td></td>
<td>Line of Business. Featured Programs</td>
</tr>
<tr>
<td>16</td>
<td>UTILITIES SUPPORT AND PROJECT MANAGEMENT</td>
</tr>
<tr>
<td></td>
<td>JHWWTF Site Improvements Project</td>
</tr>
<tr>
<td></td>
<td>Sandhill Sewer Interceptor Phase I Installation Project</td>
</tr>
<tr>
<td></td>
<td>Water Services and Road Rehabilitation Project</td>
</tr>
<tr>
<td></td>
<td>Talavera 8-Inch High-Pressure Natural Gas Pipeline Extension</td>
</tr>
<tr>
<td></td>
<td>Utilities Support and Project Management Charts</td>
</tr>
<tr>
<td></td>
<td>Line of Business. Featured Programs</td>
</tr>
<tr>
<td>17</td>
<td>FINANCIALS</td>
</tr>
<tr>
<td></td>
<td>Statement of Revenue and Expenses for All Services</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Operations &amp; Maintenance</td>
</tr>
<tr>
<td></td>
<td>Water Operations &amp; Maintenance</td>
</tr>
<tr>
<td></td>
<td>Wastewater Operations &amp; Maintenance</td>
</tr>
<tr>
<td></td>
<td>Solid Waste Operations &amp; Maintenance</td>
</tr>
<tr>
<td>18</td>
<td>BACK PAGE</td>
</tr>
<tr>
<td></td>
<td>LCU Organizational Chart Fiscal Year 2019/2020 (FY20)</td>
</tr>
<tr>
<td></td>
<td>LCU Full-Time Employees (FTEs)</td>
</tr>
<tr>
<td></td>
<td>Director, Interim Utilities Director,</td>
</tr>
<tr>
<td></td>
<td>Deputy Directors, and Senior Office Manager</td>
</tr>
</tbody>
</table>
Mission Statement

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, productive, and sustainable environment.

The Utilities Department is one of the City’s largest organizations. As a result, 10 lines of business and 40 programs were developed. The list below corresponds with each line of business.

1. Line of Business: Office of the Director
   Administration

2. Line of Business: Natural Gas Operations and Maintenance
   Natural Gas Administration
   Natural Gas Construction and Maintenance
   Natural Gas Pressure and Service
   Natural Gas Corrosion
   Natural Gas Locating and Mapping

3. Line of Business: Water Operations and Maintenance
   Water Administration
   Water Line Maintenance
   Water Production
   Water Meters, Valves, and Hydrants

4. Line of Business: Wastewater Operations and Maintenance
   Wastewater Administration
   Wastewater Line Maintenance
   Jacob Hands Wastewater Treatment Facility
   East Mesa Wastewater Reclamation Facility
   West Mesa Industrial Park Wastewater Treatment Facility

5. Line of Business: Solid Waste Collections
   Solid Waste Administration
   Solid Waste Residential Collections
   Solid Waste Commercial Collections
   Solid Waste Fleet & Equipment Maintenance

6. Line of Business: Utilities Environmental
   Water Conservation
   Solid Waste Green Waste, Compost, and Recycling
   Griggs-Walnut

7. Line of Business: Customer Engagement
   Customer Outreach
   Customer Central
   Utilities Billing and Receivables
   New Connections
   Metering Infrastructure
   Utilities Dispatch
   Field Services

8. Line of Business: Revenue and Financial Reporting
   Rate and Economic Analysis
   Utilities Warehouse
   Utilities Building Administration
   Utilities Business Services Administration

9. Line of Business: Regulatory Compliance
   Utilities Regulatory Compliance
   Water Quality Laboratory
   Industrial Pollution Prevention
   Foothills Landfill Closure Post-Closure

    Technical Support
    Supervisory Control and Data Acquisition (SCADA)
ISSUE STATEMENTS SUMMARIZED

ISSUE 1: Aging infrastructure.
ISSUE 2: Institutional customer water conservation compliance.
ISSUE 3: Regional water conflict. Note: Issue statement #3, it is not aligned to a strategic result, but it is crucial to communicate as part of the plan.
ISSUE 4: Strategic Utilities communication plan.
ISSUE 5: Workforce recruitment and retention.
ISSUE 6: Unmet demand for Natural Gas service.
ISSUE 7: Inability to meet the increased demand for services.
ISSUE 8: Internal operations support.

STRATEGIC RESULTS

STRATEGIC RESULT 1 - Aligned with Issue Statements 1, 7, 8
Infrastructure and Equipment Replaced and Maintained

Looking ahead to the next half century, Las Cruces ratepayers can be assured that critical infrastructure and equipment necessary for the delivery of essential utilities services including natural gas, water, wastewater, and solid waste services, will be replaced, and maintained on schedule, as evidenced by:

BY JULY 2019, replacement and rehabilitation of critical water well infrastructure will begin.
BY JULY 2021,
• rehabilitation of water reservoirs’ infrastructure will begin.
• critical water pipeline infrastructure replacement will begin.
• critical high-pressure natural gas line infrastructure replacement will begin.
BY JULY 2022,
• replacement and rehabilitation of essential solids handling infrastructure will begin.
• critical low-pressure natural gas line infrastructure replacement will begin.
• critical wastewater collection system replacement and rehabilitation will begin.
BY JULY 2023, year over year solid waste equipment and vehicles will be replaced on schedule.

STRATEGIC RESULT 2 - Aligned with Issue Statements 5, 8
Utilities Supported by Internal City Services

The Las Cruces Utilities Department will be viewed and treated as a customer by the City’s central support functions as evidenced by:

BY JULY 2019,
• 25% regular Fleet preventative maintenance will be completed within three days.
• a Human Resources function within the Las Cruces Utilities Department will be established.
BY JANUARY 2020,
• 60% Las Cruces Utilities Department vacancies will be filled within 6 weeks of date of request.
• a streamlined promotion process within Las Cruces Utilities Department programs will be established.
BY JULY 2020,
• 95% of the training support necessary for certification will be provided to the Las Cruces Utilities Department.
• Las Cruces Utilities will implement a Succession Plan at all levels within the department.
BY 2022, 75% vehicle repairs will be completed within one week. Specialized equipment will be repaired within two weeks.

STRATEGIC RESULT 3 - Aligned with Issue Statements 2, 4
Benefits from Safe Utilities and Environmental Best Practices

Las Cruces ratepayers will continue to benefit from the department’s safe utility practices and contribute to recycling and green waste best practices that help maintain their utility infrastructure as, evidenced by:

BY FEBRUARY 2019, the Las Cruces Utilities Board (Utilities Board) will review an action plan to implement the 40-year water plan over the next five years through 2024.

BEGINNING IN 2020,
• 85% annual survey respondents will report that they know who to call or what to do when they smell natural gas.
• 85% annual survey respondents will report that they know what materials they should and should not put down their drain or flush.

BY 2020,
• the Las Cruces Utilities Department will increase its intake of green waste tonnage by 7% from 2,800 tons to 3,000 tons.
• 20% institutional customers will reduce their water usage by an average of 2% following the program’s outreach intervention.
• all restaurant businesses that fail their inspection due to fat, oil, and grease disposal will be reduced by 50% from 52 to 26.
• diversion rates of all recyclable waste will be maintained at an average rate of 23% or higher.

STRATEGIC RESULT 4 - Aligned with Issue Statements 4, 6
Reduced Energy Costs by Expanding Natural Gas Service

An increasing proportion of ratepayers located within the Las Cruces Utilities Department’s service area will reduce their energy costs, and the Las Cruces Utilities Department will maximize its share of the natural gas market, as evidenced by:

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).

BY 2023,
• 70% residents will live in areas that are served by natural gas.
• 15% additional natural gas customers will be serviced through the Las Cruces Utilities Department.

BEGINNING IN 2023, the average size square foot home will save $798.00 annually when moving from propane to natural gas.

STRATEGIC RESULT 5 - Aligned with Issue Statements 1, 2, 4, 5, 6, 7, 8
High Performing Organization

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 Strategic Business Plan.

BY 2019, 75% of City departments and agency partners will say they have a positive collaborative relationship with the Las Cruces Utilities Department that assists them in furthering their mission.

BY 2020, 80% of board, commission, and City Council members will report that they receive the information they need to make informed decisions.
INTRODUCTION

Interim City Manager. Welcome to Ifo Pili, City Manager
Las Cruces Utilities Board of Commissioners

Interim City Manager
DAVID MAESTAS, P.E., C.G.P.M.

Interim City Manager (Retired 9/2020)

During my 26-year tenure with the City of Las Cruces I have been fortunate to work in collaboration with the Utilities Department as we jointly completed infrastructure projects, which provide new and rehabilitation of utility services to members of our community. In my most recent appointment as Interim City Manager, I had the unique privilege of having oversight for all services it provides to the community at large. This past year Las Cruces Utilities (LCU) not only continued to provide the highest quality utility service to its customers, LCU also continued to look at ways to create greater efficiencies in the system and customer interactions.

The associates of LCU have been working on additional performance-based contracts, innovative methods to fill vacancies, and extending main lines to service areas that did not have utilities. Some of these most important areas will improve the health, safety, and welfare of the community by replacing aging septic wastewater systems with wastewater lines. What has impressed me the most and honors me to be a part of the LCU team is their approach to each service they provide. Each of the strategic plans and initiatives they implement takes the best interest of our customers and associates as the priority.

The innovations, efficiencies, and customer approach has been even more evident during this unprecedented pandemic. As part of the public health order previous service approaches were significantly adjusted with the mandated stay at home order. Although the overall public was asked to stay at home, LCU remained an essential service. It was even more critical for public health, safety, and welfare to assure the property owners, businesses that remained open, and vulnerable populations to have access to utilities. The public health emergency therefore caused LCU to once again assess, modify, and compliment their existing services with new, innovative, and efficient practices to maintain the current level of services at a significantly heightened level of COVID safe practices. Along with meeting this new service level, they actually had to work with an increase in some areas, such as the additional request and need for solid waste.

Through all this, LCU has once again shown that it is a high performing organization that strives to put the best interest of their customers and the community before the decisions they make. They continue to be the standard that other organizations look to for methods and approaches to improve operations. The conditional hiring program, which allows students to work with LCU while taking classes and working to be fully qualified for a position at LCU, is an excellent example of the exemplary work LCU continues to undertake when improving staff resources and services to customers.

It has been my honor to work with LCU. I continue to be impressed with the performance, innovation, associate focus, and customer approach to services provided by LCU.

Welcome
to IfoPili,
City Manager

Interim Utilities Director, Delilah Walsh, on behalf of all LCU associates welcomes new City Manager, Ifo Pili, to the City of Las Cruces! Mr. Pili started his City Manager appointment on September 8, 2020. He also serves on the LCU Board of Commissioners as an ex officio and is a voting member when a quorum is required. Ifo has already participated in his first LCU Board Meeting on September 10, 2020. We are excited to work together and have already scheduled LCU tours in October 2020, which will provide an opportunity for him to visit key facilities, learn more about our operations, and meet some of our amazing staff.

LCU Board of Commissioners

2019-2020 Utilities Board Report

In FY20 two new members joined the board: Commissioner Johana Bencomo (also serves on the City Council) and Commissioner Dr. Harry Hardee. They join Commissioners: Gill Sorg (also serves on the City Council), Jim Carmichael, Dr. Harry Johnson, Edmund Archuleta (Vice-Chair), and me as the Chairman. As a Board we actively participated in governance of the Utilities Department. Notable actions have included overseeing and participating in the rate setting process for solid waste services. We also authorized Phase II of the Energy Savings Performance Contract with Johnson Controls, Inc. In the coming year, we will be actively participating in the natural gas rate setting process and providing policy guidance to staff in implementing the 10-Year Water Development Action Plan, which goes hand-in-hand with the 40-Year Water Plan.

– William M. Little, Chair
Jorge A. Garcia, Ph.D., P.E.
Utilities Director

LCU continues to deliver excellent service to our customers thanks to the great effort of 300 Utility associates. The FY20 Annual Report presents the various accomplishments in our Natural Gas, Water, Wastewater, and Solid Waste operations. The report highlights critical projects that will improve our delivery of services, adding to the sustainability and resiliency of our utilities. The Annual Report provides an opportunity to introduce our customers to activities that Utility associates have diligently worked on during the year. Once again, we are very proud to have the best, well-qualified and dedicated associates that make it a priority to deliver high quality services to our customers. These activities and accomplishments would not be possible without the essential strategic policy guidance and support from the LCU Board of Commissioners (Board).

The FY20, LCU served 42,201 Natural Gas customers, 37,560 Water customers, 35,726 Wastewater customers and 36,585 Solid Waste customers, within the Las Cruces city limits and in certain areas of Doña Ana County. The revenues collected from the delivery of service provide the necessary income to fund the operations, capital and equipment expenditures of each utility. The Utility operating budget for FY20 was $77.21M, and the capital budget for FY20 was $30.74M.

In FY20, we completed the cost of service review of the Solid Waste Utility. The study, performed by Stantec, a reputable firm specializing in this type of work, found a revenue deficiency of $1.34 million. This amount is needed to maintain the current levels of service, invest in necessary equipment, operating supplies, and provide appropriate debt service coverage.

The LCU Board accepted a recommendation from the Utility Customer Advisory Group (UCAG) to implement the rate increase. The recommendation was then forwarded to City Council, who approved the rate proposal on July 20, 2020. The new rates will increase the average residential bill by $2.00 per month, effective the September 2020 billing cycle.

Lastly, this message provides me the opportunity to thank our utility associates, the LCU Board, City Management, and City Council for their support over my 30-year career with LCU. I will retire on September 1, 2020. The Utility is in good hands with our Assistant Director and Deputy Directors, who will continue to ensure our customers receive excellent service. LCU has been a great place to work, to innovate and accomplish many projects, always with the goal of providing the best utility services to our customers. That environment must continue, so that others can also enjoy a rewarding career.

Delilah A. Walsh
Assistant Utilities Director

Like every other organization in our country, LCU was faced with a new COVID-positive world in the last half of our FY. Despite the challenges related to the pandemic and compliance with New Mexico’s public health orders, we were able to ensure all LCU services were 100% operational and our customers never experienced any interruption in service. Our associates made creative adjustments to reporting schedules, implemented staggered shifts, expanded use of personal protective equipment (PPE), and developed remote/site work rotations to ensure their safety as well as service delivery. Keeping our associates, our customers and our community safe is our priority and our people were the driving force behind achieving safety while meeting the needs of our customers during a public health emergency.

Beyond adapting to working in this new world, LCU focused on new planning strategies for our Utility, related to natural gas and the reduction of greenhouse gas emissions. We took an active role with the City’s Sustainability Office to explore emission reduction and energy alternatives for our area. Electrification for the purpose of using solar power is not something we fear, instead it is a long-term opportunity for LCU to make investments in our community for renewable energy and emission reduction technologies. In the coming year, we will be installing solar technology at many of our well sites and expanding the use of our methane co-generation engines at our wastewater treatment facility. Natural gas is one of the safest and cleanest fuels available and we see an important role for natural gas to develop renewable resources and emission reduction changes as we ensure our customers have access to clean, reliable, and affordable energy.

We are committed to meeting your needs and service expectations in this ever-changing environment. From pandemics to new technologies, our team at LCU will continue initiatives that meet our Mission Statement while ensuring our friends, families, neighbors, and customers live in a better Las Cruces.

Utility staff is available to provide additional information to our customers, either by calling (575) 528-3500 or via e-mail at UtilitiesCustomerComments@las-cruces.org.
1. LINE OF BUSINESS: OFFICE OF THE DIRECTOR

The purpose of the Office of the Director line of business is to provide leadership for the Las Cruces Utilities Department and policy implementation services to 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.

PROGRAM

ADMINISTRATION

Program Purpose Statement: The purpose of the Administration program 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.

Family of Measures: Key Results

- Beginning in 2019, 100% 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 Strategic Business Plan.
- By July 2019, 25% regular Fleet preventative maintenance will be completed within three days.
- By July 2019, Human Resources function within the Las Cruces Utilities Department will be established.
- By the end of 2019, 75% City departments and agency partners will say they have a positive collaborative relationship with the Las Cruces Utilities Department that assists them in furthering their mission.
- By January 1, 2020, 60% Las Cruces Utilities Department vacancies will be filled within six weeks of date of request.
- By 2020, 80% of board, commission, and City Council members will report that they receive the information they need to make informed decisions.
- By 2022, 75% vehicle repairs will be completed within one week. Specialized equipment will be repaired within two weeks.
- 80% Local businesses and prospective businesses who report that the Utilities provided support to their current or new businesses.
- # Utility hook-ups to newly constructed homes and businesses.
- % Expansion of utilities services. *

* Establish baseline

Senior Office Manager

Customer Outreach

As Senior Office Manager and Program Manager for the Customer Outreach, I am responsible for developing and ensuring the Utilities customer surveys are developed and distributed. This year - pre-pandemic - NMSU students, from the Chi Epsilon Civil Engineering Las Cruces Chapter, assisted in facilitating face-to-face customer survey events; yielding 187 responses. The survey was also mailed along with the Utility bill to 48,178 customers. The LCU Department met or exceeded all of our Strategic Business Plan measures related to our customer survey in two of our Lines of Business/Programs:

Customer Engagement/Customer Outreach:

- 3% Customer surveys completed. Met goal.
- Beginning in 2020, 85% annual survey respondents will report that they know who to call or what to do when they smell natural gas. Exceeded goal with 97%.
- 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. Exceeded goal with 92%.

Wastewater Operations and Maintenance:

- 25% Customer survey respondents who report they are confident or very confident that wastewater is safety recycled into the environment. Exceeded goal with 82%.

The Buchanan’s, Ryan, Kaitlyn, and four-month-old Blake, spare some time to answer the 3-minute survey for Las Cruces Utilities. Look for the 2020 Utilities Customer Survey in the mail or online later this year.
NATURAL GAS OPERATIONS AND MAINTENANCE

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. LCU provides a safe and reliable supply of natural gas to the citizens and businesses of Las Cruces, while operating and managing a gas system consisting of more than 1,000 miles of underground gas mains and service lines. The Natural Gas Operations and Maintenance line of business provides service to 41,524 gas customers.

NATURAL GAS ADMINISTRATION PROGRAM

The Gas Utility is in the process of Verification of the Maximum Allowable Operating Pressure (MAOP) of the transmission lines and distribution lines. Ninety-five percent (95%) of the MAOP for the transmission line have been verify. The verification of the MAOP includes the pipeline and all system components. Staff is researching records to help map and establish the MAOP of the Gas system, which is required by regulation. Currently, nearly 90% of the high-pressure lines throughout the City of Las Cruces has been completed. Staff is working toward the goal of completing the verification of Medium Pressure and our Low-Pressure lines by 2022. 10% MAOP verification of distribution. 100% Maximum Allowable Operating Pressure (MAOP) verification of transmission line.

NATURAL GAS CONSTRUCTION AND MAINTENANCE

In FY20 this program completed the installation of 13,503 ft. of natural gas main line extension and installation of 638 natural gas line services. Additionally, the Natural Gas Construction and Maintenance associates provided support to the City of Las Cruces Public Works Department related to Capital Improvement Projects, the New Mexico Department of Transportation for a Capital Improvement Project, and also responded to natural gas line third party damages.

NATURAL GAS PRESSURE AND SERVICE

In FY20, this program started the Meter Change Out Project. The project replaces old gas meters with new meters that are compatible with the Advanced Metering Infrastructure (AMI) system. LCU contracted with local plumbing contractors to install the new meters with a Gas Service Technician present inspecting all installations. This process allowed multiple meters to be installed in a day and ensured that all meters were installed in accordance with Federal, State, and Gas Utility Standard requirements with minimal interruption of service to our customers.
2. LINE OF BUSINESS: NATURAL GAS OPERATIONS AND MAINTENANCE
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.

FEATURED PROGRAMS
NATURAL GAS ADMINISTRATION
Program Purpose Statement: The purpose of the Gas Administration program is to provide direction and resources for the operation and maintenance of the natural gas system and maintain a master plan of the infrastructure assets to provide natural gas delivery services to ratepayers and surrounding communities, so they can experience a safe and dependable supply of natural gas.

Family of Measures: Key Results
- Beginning in 2023, the average size square foot home will save $798.00 annually when moving from propane to natural gas.
- 100% Maximum Allowable Operating Pressure (MAOP) verification of transmission line.
- 33% Update Natural Gas Master Plan.
- 10% MAOP verification of distribution.
- 15% Propane customers switched to natural gas (northeast area).

NATURAL GAS CONSTRUCTION AND MAINTENANCE
Program Purpose Statement: The purpose of the Natural Gas Construction and Maintenance program is to install and maintain all underground natural gas infrastructure to provide natural gas delivery services to ratepayers and surrounding communities, so they can experience a safe and dependable supply of natural gas.

Family of Measures: Key Results
- 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).
- By July 1, 2021, critical high-pressure natural gas line infrastructure replacement will begin.
- By July 1, 2022, critical low-pressure natural gas line infrastructure replacement will begin.
- By 2023, 15% additional natural gas customers will be serviced through the Las Cruces Utilities Department.
- By 2023, 70% residents will live in areas that are served by natural gas.
- 90% Construction and Maintenance program work orders completed within five business days.

NATURAL GAS PRESSURE AND SERVICE
Program Purpose Statement: The purpose of the Natural Gas Pressure and Service program is to maintain natural gas system pressures and all above ground natural gas infrastructure to provide natural gas delivery services to ratepayers and surrounding communities, so they can experience a safe and dependable supply of natural gas.

Family of Measures: Key Results
- By 2023, 15% additional natural gas customers will be serviced through the Pressure and Service program.
- 0.5% Natural gas system above ground line leaks resulting in injury or property damage.
- 5% Customers who have service interruptions due to above ground failures.
- 90% Pressure and Service program work orders completed within five business days.
WATER OPERATIONS AND MAINTENANCE

The purpose of the Water Operations and Maintenance (O&M) line of business is to provide water to ratepayers, so they can experience reliable and sustainable water utilities. The line of business produces over 6 billion gallons of clean, safe drinking water annually. That water serves the needs of approximately 100,000 residents. The City’s water system pumps from two deep aquifers, the Mesilla Bolson, and the Jornada Bolson. To bring water to ratepayers, LCU maintains more than 700 miles of underground water lines, 40 wells, 20 storage tanks, 17 booster stations, and 41 regulating valves.

WATER ADMINISTRATION

10-Year Water Development Action Plan Implementation

This plan is currently under development. Milestones completed for the plan include: Drawdown Warning Indicator; Water Availability in the Corralitos, Nutt-Hockett, and Mimbres Basins. Work is ongoing for the Reclaimed Water and Aquifer Storage and Recovery Evaluation.

Consumer Confidence Reports

The 2019 reports were mailed out to all ratepayers in mid-June providing information that includes confirmation that LCU water meets all federal and state regulations and that no waterborne viruses were detected.

WATER METERS, VALVES, HYDRANTS

Do to the success of the FY19 contract with a company using the patented NO-DES intense filtration technology to clean water lines by forcing water through multiple micron filters, a Water Smart Grant application was submitted and approved by the Bureau of Reclamation. A NO-DES filtration system has been ordered and expected to be delivered during the first quarter of FY21. Water O&M will be cleaning water lines and expect to have the whole system completed within a two-year timeframe and will be able to continue cleaning lines every two to three years. This effort is expected to lower the number of discolored water and water quality calls, in addition to lowering the amount of maintenance flushing currently occurring within the system.

LINE OF BUSINESS:
Water Operations and Maintenance

PROGRAMS

- Water Administration
- Water Line Maintenance
- Water Production
- Water Meters, Valves, Hydrants
3. **LINE OF BUSINESS: WATER OPERATIONS AND MAINTENANCE**

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.

**FEATURED PROGRAMS**

**WATER ADMINISTRATION**

*Program Purpose Statement:* The purpose of the Water Administration program is to provide water planning and adequate staff to provide aquifer-sourced and reclaimed water delivery services to ratepayers, so they can enjoy safe and reliable drinking water and high-quality reclaimed water resources.

*Family of Measures: Key Results*

- By February 2019, the Utilities Board will review an action plan to implement the 40-year water plan over the next five years through 2023.
- By February 2023, 100% graduated interns will be assigned to full time positions within the Utilities Department.

**WATER LINE MAINTENANCE**

*Program Purpose Statement:* The purpose of the Water Line Maintenance program is to provide delivery system maintenance services to ratepayers, so they can enjoy safe and reliable drinking water and high-quality reclaimed water resources.

*Family of Measures: Key Results*

- By July 1, 2021, critical water pipeline infrastructure replacement will begin.
- 10% of Water customers who experience an unplanned interruption of service of 90 minutes or longer.

**WATER PRODUCTION**

*Program Purpose Statement:* The purpose of the Water Production program is to provide aquifer-sourced water production services to ratepayers, so they can enjoy safe and reliable drinking water.

*Family of Measures: Key Results*

- By July 1, 2019, replacement and rehabilitation of critical water well infrastructure will begin.
- By July 1, 2021, rehabilitation of water reservoirs’ infrastructure will begin.
- Zero incidents of water borne illnesses from City of Las Cruces water.
WASTEWATER OPERATIONS AND MAINTENANCE

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. The Wastewater Operations and Maintenance line of business for LCU maintains about 550 miles of underground sewer lines and 17 lift stations. The Jacob Hands Wastewater Treatment Facility (JHWWTF) treats and disinfects approximately 9 million gallons of sewage per day. The East Mesa Water Reclamation Facility and West Mesa Wastewater Treatment Facility treat 500,000 gallons and 150,000 gallons per day, respectively.

JHWWTF

This facility has two separate electrical services to allow for redundant power service. Source One has been in service for 37 years and had reached the end of its reliability. Large parts of Source One were in the same trench as Source Two. If there were a problem with one source, that problem could affect the other source. A new route for Source One was planned and new conduit was installed. The new cabling was pulled through the new conduit and connected to switches and transformers on either end. The replacement took about 10 months to complete.

WASTEWATER LINE MAINTENANCE

This program cleaned over 770,000 feet of underground sewers in 2019. The cleaning process uses high pressure water and a vacuum truck (Vactor) to remove the materials cleaned from the sewers. Cleaning the sewers serves several purposes: removes debris from the sewers to prevent blockages and backups, prepares sewers for inspection by remote camera, reduces odors caused by decaying materials in the sewers, and prevents damage caused by those same decaying materials.

EAST MESA WASTEWATER RECLAMATION FACILITY

This facility is located near the Wal-Mart Neighborhood Market on Sonoma Ranch Blvd. and treats 500,000 gallons of wastewater per day to near drinking water quality. Then sells to irrigation customers on the East Mesa. Sonoma Ranch Golf Club, the Foothills Landfill, Centennial High School, and some City parks purchase the reclaimed water for irrigation uses. The wastewater is treated using an activated sludge process, further cleaned with disc filters, and disinfected using ultraviolet light. The facility is operated with only two associates, and runs 24 hours a day, 7 days a week.

LINE OF BUSINESS: Wastewater Operations and Maintenance

PROGRAMS

- Wastewater Administration
- Wastewater Line Maintenance
- Jacob Hands Wastewater Treatment Facility
- East Mesa Wastewater Reclamation Facility
- West Mesa Industrial Park Wastewater Treatment Facility
WASTEWATER CHARTS

**Wastewater Administration: Number of Sewer Hook-ups Provided**

**Grade-A Compost Provided**

**WASTEWATER ADMINISTRATION**

25% Customer survey respondents who report they are confident or very confident that wastewater is safely recycled into the environment. Exceed goal with 74%.

**NUMBER OF SEWER HOOK-UPS PROVIDED**

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>594</td>
</tr>
<tr>
<td>Commercial</td>
<td>35</td>
</tr>
</tbody>
</table>

868 Sewer Hook-ups provided in FY19-20.

**GRADE-A COMPOST PROVIDED**

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Tons of Compost</td>
<td>1,105</td>
</tr>
</tbody>
</table>

2,484 Metric Tons of Grade-A Compost provided for FY19-20.

---

### 4. Line of Business: Wastewater Operations and Maintenance

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.

**Featured Programs**

**Wastewater Administration**

Program Purpose Statement: The purpose of the Wastewater Administration program is to provide oversight for treatment and collection services to ratepayers, so they can confidently experience wastewater resources that are free of contaminants and safely recycled into the environment.

**Family of Measures: Key Results**

- 97% Gallons of recycled water resources that are safe for human contact.
- 25% Customer survey respondents who report they are confident or very confident that wastewater is safely recycled into the environment.

**Wastewater Line Maintenance**

Program Purpose Statement: The purpose of the Wastewater Line Maintenance program is to provide collection services to ratepayers, so they can confidently experience wastewater resources that are free of contaminants and safely recycled into the environment.

**Family of Measures: Key Results**

- By July 1, 2022, critical wastewater collection system replacement and rehabilitation will begin.

**Jacob Hands Wastewater Treatment Facility**

Program Purpose Statement: The purpose of the Jacob Hands Wastewater Treatment Facility program is to provide collection, treatment, and reclamation services to ratepayers in its service area, so they can confidently experience wastewater resources that are free of contaminants and safely recycled into the environment.

**Family of Measures: Key Results**

- By July 1, 2022, replacement and rehabilitation of essential solids handling infrastructure will begin.
SOLID WASTE COLLECTIONS

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. Solid Waste Collections supplies trash containers to 33,824 residential customers and more than 2,760 commercial customers, while disposing an average of 6,260 tons of trash every month.

SOLID WASTE ADMINISTRATION

With the implementation of Routeware on Solid Waste route vehicles, we can more readily answer customer’s questions with relevant information with a quick glance into the program. Questions about why the trash wasn’t picked up, or if we have been to the area yet come to office staff daily. Routeware allows us to see the GPS trail of our route trucks to check where they are. If a container isn’t picked up a picture will show us why and office staff can verify without having to call the driver. Containers that are not serviced will show in Routeware.

SOLID WASTE RESIDENTIAL/COMMERCIAL COLLECTIONS

During the entirety of the COVID-19 Pandemic Solid Waste associates have shown up every day and dealt with the uptick in waste disposal. While a lot of people were “staying at home” per the Governor’s Public Health Order – they decided to clean up and clean out their houses and yards. Solid Waste Collections was out there picking it all up and office staff was answering all the customer’s questions. Everything from Grappler pickups, regular trash pickups, and customer service – workload increased across the board, at times triple the norm, and was handled with the same amount, or even less staff. It was, and is, a challenging time. However, Solid Waste associates continue to provide reliable and sustainable Solid Waste service.

SOLID WASTE COMMERCIAL COLLECTIONS

Roll-off containers are large rectangular containers typically used for construction or remodeling material, trash, brush, and other items of a similar nature. This past year we have teamed up with Keep Las Cruces Beautiful for community clean-up events hosted across the City. Additionally, during the COVID-19 Pandemic, Solid Waste Commercial Collections set out roll-off containers at three locations across the City to help deter illegal dumping in response to closure of waste facilities to the general public. These containers were on site for six days, were emptied 21 times, and collected over 50 tons of trash.

LINE OF BUSINESS: Solid Waste Collections

PROGRAMS

- Solid Waste Administration
- Solid Waste Residential Collections
- Solid Waste Commercial Collections
- Solid Waste Fleet & Equipment Maintenance
SOLID WASTE CHARTS
Residential Containers Not Serviced
Roll-Off Containers Serviced. Community Clean-Up Events

PERCENT OF RESIDENTIAL CONTAINERS NOT SERVICED
BY QUARTER FY20

We continue to make progress towards our goal of 2% Residential container pickups not serviced since the installation of Routeware on our route trucks and the ability to track this measure.

NUMBER OF ROLL-OFF CONTAINERS
SERVICED BY QUARTER FY18 - FY20

Even as we continue to increase our level of service on our roll-off containers, we are able to maintain delivering, emptying, returning or removing roll-off containers within one business day at 99-100%. This is above our 97% goal.

COMMUNITY CLEAN-UP EVENTS BY QUARTER FY20

Working in collaboration with Keep Las Cruces Beautiful as well as Solid Waste internal clean-up events, we have gathered over 71 tons of trash through this event participation.

5. LINE OF BUSINESS:
SOLID WASTE COLLECTIONS
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.

FEATURED PROGRAMS
SOLID WASTE RESIDENTIAL COLLECTIONS
Program Purpose Statement: The purpose of the Solid Waste Residential Collections program is to provide collection, container delivery, and repair services to ratepayers, so they can reliably and regularly dispose of their garbage.

Family of Measures: Key Results
- 2% Residential container pickups not serviced.
- On average for Fiscal Year 2020, we documented 4% container pickups not serviced.

SOLID WASTE COMMERCIAL COLLECTIONS
Program Purpose Statement: The purpose of the Solid Waste Commercial Collections program is to provide dumpster enclosure review and inspections, collection, container delivery and repair services to ratepayers so they can reliably and regularly dispose of their garbage.

Family of Measures: Key Results and Outputs
- 97% Roll off containers delivered, emptied, returned, and removed within one business day.
- # Tons of waste collected from community clean up containers.
- In Fiscal Year 2020 we collected almost 72 tons of waste from community clean up events.
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.

**WATER CONSERVATION**

By 2020, 20% institutional customers will reduce their water usage by an average of 2% following the program’s outreach intervention. Through outreach intervention for our institutional customers, which includes: schools, public parks, and multi-family communities. Interventions have included meeting with institutional water users and introducing water efficiency measures and available grants that include Smart Controllers. LCU’s water meter upgrades and leak detection programs have also assisted this measure. We are able to report the reduction of institutional water usage by 1.2% during the first 6-months of data collection. We are on target of reaching and exceeding our goal of reducing institutional water usage by 2% by the end of 2020.

**SOLID WASTE GREEN WASTE, COMPOST, AND RECYCLING**

Through various outreach events, radio ads, and promotional item giveaways, the Green Grappler program continues to excel. The increased tonnage collected by the Green Grappler, alone, in FY20 has exceeded last year’s totals by 295 tons. This is an increase of approximately 88.86% over the previous year. The growth of this part of the Solid Waste Green Waste, Compost, and Recycling program helped us surpass our PEAK goal of 7%. Our overall tonnage of green waste accepted increased by 11%. To deter green waste from being landfilled, place your green waste in clear trash bags so it can be repurposed into composted mulch. Once processed, the composted mulch is available free to our citizens.

**GRIGGS-WALNUT**

The Griggs-Walnut Groundwater Plume Superfund Site has removed approximately 86 pounds (29%) of the estimated average 300 pounds of perchloroethylene (PCE) from the groundwater and put nearly 135 million gallons of water to beneficial use during 2019.

**LINE OF BUSINESS:**
Utilities Environmental

**PROGRAMS**

- Water Conservation
- Solid Waste Green Waste, Compost, and Recycling
- Griggs-Walnut
6. LINE OF BUSINESS: UTILITIES ENVIRONMENTAL

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.

FEATURED PROGRAMS

WATER CONSERVATION

Program Purpose Statement: The purpose of the Water Conservation program is to provide resources and conservation services to ratepayers, so they can have a sustainable water supply.

Family of Measures: Key Results

- By 2020, 20% institutional customers will reduce their water usage by an average of 2% following the program’s outreach intervention.

SOLID WASTE GREEN WASTE, COMPOST, AND RECYCLING

Program Purpose Statement: The purpose of the Solid Waste Green Waste, Compost, and Recycling program is to provide products, resources, and conservation services to ratepayers and surrounding communities, so they can receive environmentally-friendly products at little or no cost and help divert waste from the landfill.

Family of Measures: Key Results

- By 2020, the Las Cruces Utilities Department will increase its intake of green waste tonnage by 7% from 2,800 tons to 3,000 tons.
- The Green Grappler alone increased its intake by over 88% which helped us surpass our PEAK goal of 7% to 11%.

GRIGGS-WALNUT

Program Purpose Statement: The purpose of the Griggs-Walnut program is to remove perchloroethylene (PCE) from contaminated groundwater, so the community can have a safe groundwater supply.

Family of Measures: Key Results

- By 2025, the pounds of PCE removed from the plume will be reduced by 50%.
CUSTOMER ENGAGEMENT

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.

METERING INFRASTRUCTURE

As the department’s AMI project neared completion during FY20, the program formally known as Meter Reading transitioned to new duties and responsibilities. The AMI network is comprised of water and gas metering connected to Encoder Receiver Transmitters (ERTs) gathering and transmitting hourly consumption data to pole mounted repeaters and collectors located around the service area and storing data in a central database. The system requires constant monitoring and administration to ensure reliable operation of the network hardware and data acquisition. The key operational efficiency obtained from AMI is the automated process of remotely obtaining meter readings for billing remote from the central AMI database. The manual process is virtually replaced with the centralized AMI database eliminating the lengthy and labor-intensive process of driving to meter locations to gather meter readings for billing throughout the month.

Another important function in Metering Infrastructure is Leak Detection. This team is dedicated to run another aspect of the AMI upgrade, Leak Detection. The AMI project upgrade installed leak detection sensors throughout the water distribution system. The sensors “listen” to sonic profiles in the water lines and using a proprietary algorithm, flag the geographic location of possible leaks in the system. It should be noted that many of these leaks are in the preliminary stages of forming deep underground and rarely show evidence above ground. Leak Detection Technicians follow-up on the reported possible leaks and using specialized equipment locate the source and categorize the possible leak as valid or not valid. The valid system leaks are then accurately located and marked for water line repair crews to fix the emerging leak before it becomes a line break.

FIELD SERVICES

Another program that immediately experienced the benefits of AMI technology was Field Services. The systemwide replacement of water meters to the state-of-the-art metering, specifically the Kamstrup meter, offers a new standard for the residential and small commercial customers. Technicians now possess detailed data to narrow possible sources of high-water consumption complaints to find possible leaks. AMI data and revised standard operating procedures greatly enhance field investigation results and helps produce better solutions for customers.

UTILITIES BILLING AND RECEIVABLES

Utilities Billing and Receivables achieved one of its PEAK Performance goals of utilizing all funds budgeted for the Casa de Peregrinos Utility Assistance Program two months before the end of the FY. The program then responded to the impact of COVID-19 restrictions in mid-March. The restrictions impacted residential and commercial customers experiencing difficulties paying their City utility bills. Utilities Billing and Receivables immediately established administrative processes to manage the City Councils’ Emergency Assistance Program fund of $125,000 assisting LCU customers economically affected by COVID-19.
7. **LINE OF BUSINESS: CUSTOMER ENGAGEMENT**

The purpose of 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.

**FEATUED PROGRAMS**

**METERING INFRASTRUCTURE**

**Program Purpose Statement:** The purpose of the Metering Infrastructure program is to provide accurate and timely readings, so ratepayers can receive an accurate bill.

**Family of Measures: Key Results**
- 95% accurate meter readings

**FIELD SERVICES**

**Program Purpose Statement:** The purpose of the Field Services program is to provide initial and final meter reads, field checks, relights, and investigations to ratepayers, so they can have safe and reliable services.

**Family of Measures: Key Results**
- 90% Customer requested investigations completed by the scheduled date.

**BILLING AND RECEIVABLES**

**Program Purpose Statement:** The purpose of the Billing and Receivables program is to provide billing to ratepayers, so they can receive accurate and timely bills, and payment assistance.

**Family of Measures: Key Results**
- 100% of Casa de Peregrinos (CDP) funds will be exhausted before the end of the fiscal year.

---

100% of $100,000 Budgeted FY20 Casa de Peregrinos Utility Assistance Funds were exhausted within the last week of April 2020. Total number of customers assisted: 598.
REVENUE AND FINANCIAL REPORTING

The purpose of the Revenue and Financial Reporting line of business is to provide rate and economic analysis and utilities services to Las Cruces Utilities programs, so they can be adequately funded.

RATE AND ECONOMIC ANALYSIS

This program provides crucial financial evaluation and support functions to LCU lines of business. Associates are responsible for conducting periodic rate reviews for the Natural Gas, Water, Wastewater, and Solid Waste operating utilities to ensure rate charges for services cover cost of service and financial obligations. The rate reviews quantify the revenue required to provide a high level of service and maintain a stable financial standing. It also provides budget guidance and forecasting services for the department’s programs so they can be well informed in the planning and decision-making process.

UTILITIES WAREHOUSE

This program is responsible for ordering, receiving, and maintaining sufficient stock levels of commodities, equipment, materials, supplies, and tools required by Natural Gas, Water, and Wastewater Operations and Maintenance lines of business to ensure a continuous and reliable delivery of utility services. Warehouse associates issue materials and supplies to field crews for their daily work schedule. They also deliver material and parts to the field and are on-call 24/7 when crews respond to emergency utility service calls. In mid-March 2020 as the COVID-19 Pandemic restrictions and protective orders were issued by the governor, the warehouse program was tasked to ensure adequate inventory levels of disinfecting supplies and PPE such as surgical masks, protective gloves, and hand sanitizer. The warehouse associates met the challenge ensuring LCU staff were supplied with protective materials to conduct job functions deemed essential services for the City.

UTILITIES BUILDING ADMINISTRATION

Building administration ensures that LCU department’s buildings and grounds are maintained, repaired, and secured. The associates oversees the day-to-day activity of building maintenance, repair and construction, landscape upkeep, logistical support for special and planned activities, and custodial upkeep for buildings. In mid-March 2020, this program also responded admirably in response to COVID-19 requirements establishing a disinfecting regimen for the department’s work areas and buildings to control the transmission of COVID-19. This also included constructing workstation sneeze shields.

LINE OF BUSINESS: Revenue and Financial Reporting

PROGRAMS

- Rate and Economic Analysis
- Utilities Warehouse
- Utilities Building Administration
- Utilities Business Services Administration
8. LINE OF BUSINESS: REVENUE AND FINANCIAL REPORTING

The purpose of the Revenue and Financial Reporting line of business is to provide rate and economic analysis and utilities services to Las Cruces Utilities programs, so they can be adequately funded.

FEATURED PROGRAMS

RATE AND ECONOMIC ANALYSIS

Program Purpose Statement: The purpose of the Rate and Economic Analysis program is to provide administrative services and reports to Las Cruces Utilities programs, so they can make informed decisions.

Family of Measures: Key Results
- Provide budget guidance and forecasting services for department programs to make informed and responsible decisions as measured by the goal to minimize the number budget corrections to 30%.

UTILITIES WAREHOUSE

Program Purpose Statement: The purpose of the Utilities Warehouse program is to provide materials and supplies to Las Cruces Utilities programs, so they can operate and maintain infrastructure.

Family of Measures: Key Results
- 90% Deliveries of materials and supplies to job site within one hour from the request being placed.

UTILITIES BUILDING ADMINISTRATION

Program Purpose Statement: The purpose of the Utilities Building Administration program is to provide building services to Las Cruces Utilities programs, so they can work in a safe and productive environment.

Family of Measures: Key Results
- 80% of Utilities buildings repairs completed within 30 days from date requested.
REGULATORY COMPLIANCE

The purpose of the Regulatory Compliance line of business is to provide regulatory compliance and technical support to LCU programs, so they can operate within state and federal requirements and be technically proficient.

WATER QUALITY LABORATORY (WQL)
The LCU WQL collects, monitors, and tests City drinking water from all four Water Supply Systems to ensure compliance with Safe Drinking Water Act. The graph, on page 23, indicates the number of samples taken on an annual basis to be analyzed for various parameters. These range from microbiological to chemical tests for primary and secondary Environmental Protection Agency (EPA) limits. The number of samples vary year-to-year due to the frequency requirements of regulatory, process control, and special projects. The analyses that cannot be conducted by the WQL are shipped to accredited external laboratories. The New Mexico Environment Department collaborates with the City of Las Cruces, under the Water Conservation Fee, by sampling all other drinking water set forth by the EPA Primary Standards, throughout the year to assure the Safe Drinking Water Act standards are met.

FOOTHILLS LANDFILL CLOSURE POST-CLOSURE
Foothills Landfill Monitoring Program undertook two semi-annual groundwater sampling events. Operations and Maintenance on the monitoring wells were surveyed. Some of the sampling pumps at various sites were removed for inspection and testing was conducted manually. The manual testing procedures proved to be more efficient and less time consuming than using the pumps that were not working well. This was due to either low levels of groundwater at some of the wells or geothermal influences at other wells that would overheat the sampling pumps. Manual testing will continue at the site now and will be less costly in time and personnel.

INDUSTRIAL POLLUTION PREVENTION
FOG (Fats, Oils, and Grease), a byproduct of cooking, hardens in the Wastewater Collection System leading to sewage overflows. The LCU Interceptor and Grease Trap Ordinance No. 2489 mandates that all Food Service Establishments (FSE’s) install grease interceptors prior to their wastewater entering the LCU Sanitary Sewer Collection System, and maintain them by having them pumped-out every 90 days by a grease transport company. An FSE is any non-residential facility (i.e., hospital, nursing home, daycare, school, or restaurant) that prepares food for consumption. The function of the Industrial Pollution Prevention FOG program is to monitor the proper use and maintenance of these grease interceptors by the FSE’s. The grease transporters are required to maintain FOG Manifests containing data such as: FSE name, date, time of pump-out, volume of pump-out, and place of disposal for each individual collection/disposal. The transporter then submits a copy of all their monthly manifests to the Industrial Pollution Prevention office who then enters all the data into a database to monitor the frequency of the FSE pump-outs. FSE’s that fail to have their interceptor pumped out within the required 90-day timeframe are then notified that they are noncompliant and are in violation of the ordinance.

LINE OF BUSINESS:
Regulatory Compliance and Training
PROGRAMS
• Regulatory and Compliance
• Water Quality Laboratory
• Industrial Pollution Prevention
• Foothills Landfill Closure Post-Closure
• Utilities Training
REGULATORY COMPLIANCE AND TRAINING

Facility & Permit Regulatory Inspections

WQL Drinking Water Samples

Number of Non-Compliant FSE’s

FACILITY & PERMIT REGULATORY INSPECTIONS

<table>
<thead>
<tr>
<th>Regulatory &amp; Environmental Analyst (Internal RES)</th>
<th>State &amp; Fed</th>
<th>Violations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

* In 2019 a violation and corrective actions were taken due to a temporary sulfur exceedance of the air permit that occurred with development of on-site gas generation for the new CoGen system at the main Wastewater Treatment Facility.

WQL DRINKING WATER SAMPLES

Columns represent the number of EPA Primary and Secondary Drinking Water samples taken by the WQL on an annual basis showing an increasing trend of approximately 43 samples per year. Our PEAK goal is to reach a minimum of 2,880 samples.

THE NUMBER OF NON-COMPLIANT FSE’S

The # of FSE Manifests Received is the total number of FOG Interceptors that were pumped out during that year. The # of FSE That Failed is the number of times a restaurant failed to pump out their FOG interceptor within the required 90-day cycle.

9. LINE OF BUSINESS: REGULATORY COMPLIANCE AND TRAINING

The purpose of the Regulatory Compliance and Training line of business is to provide regulatory compliance, technical support, and training to Las Cruces Utilities programs, so they can operate within state and federal requirements and be technically proficient.

FEATURED PROGRAMS

UTILITIES REGULATORY COMPLIANCE

Program Purpose Statement: The purpose of the Utilities Regulatory Compliance program is to provide guidance, consultation, and reporting services to Las Cruces Utilities programs, so they can operate within state and federal regulations.

Family of Measures: Key Results

- 90% Inspections that do not result in findings or violation.

WATER QUALITY LABORATORY

Program Purpose Statement: The purpose of the Water Quality Laboratory program is to provide water quality testing and reporting services to Las Cruces Utilities programs, so they can operate within state and federal regulations.

Family of Measures: Key Results

- Minimum of 2,880 samples and 10,410 tests will be completed to ensure water is 100% safe to drink.

INDUSTRIAL POLLUTION PREVENTION

Program Purpose Statement: The purpose of the Industrial Pollution Prevention program is to provide environmental compliance monitoring to Las Cruces Utilities programs, so they can operate within state and federal regulations.

Family of Measures: Key Results

- By 2020, all restaurant businesses that fail their inspection due to fat, oil, and grease disposal will be reduced by 50% from 52 to 26.
UTILITIES SUPPORT AND PROJECT MANAGEMENT

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 utilities infrastructure.

TECHNICAL SUPPORT

JHWWTF Site Improvements Project
This project was substantially completed on July 2, 2020. The project consisted of the demolition of existing concrete solids dry dock structure, earthwork (including tree removal, clearing and grubbing, stripping, and grading), installation of approximately 510 linear feet of new 6-foot-high chain-link fence, installation of three 5-foot pedestrian gates, installation of 30-foot wide automatic cantilever slide chain-link gate, and installation of 30-foot wide manual cantilever slide chain-link gate. As well as parking lot asphalt pavement of approximately 2,821 square yard (including subgrade and subbase preparations and marking), construction of 20-foot by 30-foot new concrete drying dock, construction of three retention ponds, and placing approximately 5,620 square yard of ¾-in gravel for landscape. At the February 2020 LCU Board meeting, the construction project was awarded in the amount of $201,183.36.

Sandhill Sewer Interceptor Phase I Installation Project
This project was substantially completed November 29, 2018, and consisted of installation of approximately 8,760 linear feet of new 15-inch SDR-35 sewer pipe, 705 linear feet of new 16-inch ductile iron sewer pipe, and jack and bores across Lavender Drive, Elks Drive, and I-25. It also included 31 new 4-foot diameter manholes, one 6-foot diameter manhole, reconstruction of slope protection and concrete rundowns, and connection to existing sewer. At the June 2019 LCU Board meeting, the construction project was awarded in the amount of $1,477,392.04.

Water Services and Road Rehabilitation Project
This project was for Vista De La Montaña, Vista De La Luna, Pines, and Sonora Spring Subdivision was substantially completed September 19, 2019. This project consisted of replacement of water line services and removal of asphalt at existing street patches, prime coat, and asphalt patching for street patches. At the July 2018 LCU Board meeting, the construction project was awarded in the amount of $1,853,472.75.

Talavera 8-Inch High-Pressure Gas Pipeline Extension
This project was substantially completed July 3, 2020. It consisted of the installation of approximately 14,000 feet of 8-inch high-pressure steel pipeline on Dripping Springs from Sonoma Ranch Blvd. to Soledad Canyon Road, four 8-inch high-pressure gas valves, 4,820 feet of 4-inch low-pressure polyethylene pipeline in order to provide natural gas to the Talavera area. At the January 2019 LCU Board meeting, the construction project was awarded in the amount of $1,517,990.98.
10. UTILITIES SUPPORT AND PROJECT MANAGEMENT

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 utilities infrastructure.

PROGRAM

TECHNICAL SUPPORT

Program Purpose Statement: The purpose of the Technical Support program is to provide engineering, design, project management, analysis, and public outreach services to City departments, and developers, so they can develop, construct, operate, and the public can experience reliable and cost-effective utilities infrastructure.

Family of Measures: Key Results

- 90% Developer plan reviews completed within 10 business days.
- 90% of all above ground utilities projects will not exceed 3% of project contingency.
- 90% of all below ground utilities projects will not exceed 7% of project contingency.
- 95% Projects managed by Las Cruces Utilities, which do not experience failure due to design or construction within the first year of acceptance.

The chart indicates number of subdivisions, commercials and wire utility plans received on a monthly basis through LCU Technical Support for review and the percentage of plans that was completed in a 10-day timeframe.
LCU operates under an enterprise fund supported by fees and rate charges for utility services provided. Its accounting and financial reporting systems are separated by natural gas, water, wastewater, and solid waste revenue to cover the associated cost of providing service to utility customers. LCU is financially independent from all City general funds.

**STATEMENT OF REVENUE AND EXPENSES FOR NATURAL GAS, WATER, WASTEWATER, AND SOLID WASTE**

<table>
<thead>
<tr>
<th></th>
<th>FY19 Revenues</th>
<th>FY20 Revenues</th>
<th>FY19 Expense</th>
<th>FY20 Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>$18,915,545</td>
<td>$16,856,429</td>
<td>$16,504,743</td>
<td>$14,869,276</td>
</tr>
<tr>
<td>Water</td>
<td>$16,338,084</td>
<td>$19,379,995</td>
<td>$13,820,911</td>
<td>$14,136,879</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$10,858,159</td>
<td>$12,914,986</td>
<td>$11,537,344</td>
<td>$11,537,344</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>$14,161,082</td>
<td>$15,069,598</td>
<td>$10,480,484</td>
<td>$12,517,370</td>
</tr>
</tbody>
</table>

**LCU FY20 TOTAL REVENUE AND EXPENDITURES**

The financial information on this Annual Report is preliminary pending the final audit report for FY20. Overall, Utilities financial performance for FY20 was within projected targets as recorded on 8/3/2019.

**NATURAL GAS OPERATIONS & MAINTENANCE**

Total Natural Gas utility revenue including commodity cost of gas reflects the plentiful supply of gas with gas commodity cost averaging $1.30 per dekatherm during the FY20 compared to $1.96 per dekatherm in FY19. We also avoided $301K of commodity expense due to contract discounts and actions taken by LCU staff. Las Cruces gas service customers are the beneficiaries of the lower gas commodity cost. Overall, FY20 total gas revenue was $16.856M, down $2.06M or -10.89% from FY19. Expenses were $14.869M for FY20 compared to $16.505 the previous year. Total volumetric sales were 3.31M deka-therms, down by 0.03M dekatherms or 0.9% from the prior FY.
**WATER OPERATIONS & MAINTENANCE**

FY20 incorporated a full year and a portion of the second phase of the water rate increase approved by City Council in early November 2018. The phased-in percentage rate increases were 15%, 4%, and 4%. Overall total revenue for FY20 was $19.379M compared to $16.338 in FY19. FY20 expenses recorded at $14.136M or 2% compared to $13.821M in FY19. The first of the phased increase in rates was effective December 1, 2018, and the second increase occurred December 1, 2019. Total water volumetric sales were essentially flat with FY20 recording 5,940M gallons a 0.10% increase from the sales recorded for FY19 at 5,934M gallons.

**WASTEWATER OPERATIONS & MAINTENANCE**

The review of wastewater cost of service was concluded early FY20 for the Wastewater Utility. The evaluation determined that the Utility required an additional $4.2M to adequately fund operating and capital expenditures and debt service. City Council approved a wastewater rate increase over a three-year phased-in period April 2019 with the first increase of 30% effective May 1, 2019. Subsequent annual rate increases of 5.3% and 5.3%. Total wastewater revenue for FY20 was $12.914M compared to $10.858M for FY19. FY20 expenses were $11.537M compared to $11.314 in FY19. Wastewater operations treated and safely discharged 3,563M gallons into the river this FY compared to 3,634M gallons in FY19.

**SOLID WASTE COLLECTIONS**

The review of solid waste cost of service evaluation concluded during FY20, and were approved by City Council September 2020. The evaluation determined that the Utility required an additional $1.34M to adequately fund operating, vehicle acquisition, and maintenance. Solid Waste financials reported total revenues of $15.069M for FY20 compared to $14.161M in FY19 and expenses of $10.480M in FY19. Residential and commercial solid waste disposal for FY20 was recorded at 75,126 tons which was an increase from 75,079 tons in FY19. In August 2020, City Council approved the increase, effective September 2020.
DIRECTOR, INTERIM UTILITIES DIRECTOR, DEPUTY DIRECTORS, AND SENIOR OFFICE MANAGER

JORGE A. GARCIA, Ph.D., P.E.
Utilities Director
(575) 528-3512 (Retired 9/2020)

DELILAH A. WALSH
Interim Utilities Director
(575) 528-3512 (Effective 9/2020)

LUCIO M. GARCIA, P.E., CEM
Deputy Director Natural Gas
(575) 528-3505

ADRIENNE L. WIDMER, P.E.
Deputy Director Water
(575) 528-3515

JOHN T. MROZEK
Deputy Director Wastewater
(575) 528-3850

ROBIN LAWRENCE
Deputy Director Solid Waste
(575) 528-3700

JOSE F. PROVENCIO
Deputy Director Business Services
(575) 528-3502

CARL N. CLARK, P.E.
Deputy Director Environmental & Technical Support
(575) 528-3689

ALMA J. RUIZ
Senior Office Manager
(575) 528-3636

Utility staff is available to provide additional information about this annual report, by calling (575) 528-3500 or via e-mail at utilitiescustomercomments@las-cruces.org

Las Cruces Utilities, 680 N. Motel Blvd., Las Cruces, NM 88007
Mailing Address: P.O. Box 20000, Las Cruces, NM 88004