

Las Cruces Utilities
Minutes of the Regular Meeting on
Thursday, May 9, 2019
3:00 p.m.
Utilities Board Room 225

Board Members Present:

William Little, Chairman
Ed Archuleta, Vice-Chairman
Steven Baumgarn, Commissioner
Jim Carmichael, Commissioner
Dr. Harry Johnson, Commissioner
Gill Sorg, Commissioner (*arrived at 3:03pm*)

Board Members Absent:

Gabriel Vasquez, Commissioner

Ex-Officio Members Present:

Jorge A. Garcia, Utilities Director

Ex-Officio Members Absent:

William Studer, Interim City Manager

Others:

Becky Baum, RC Creations, LLC.
Cassie McClure, Pubic Outreach Consultant
Suzanne Michaels, Public Outreach
Consultant
Susan Schmutge, League of Women Voters
Greg Shervanick, Resident

City Staff Present:

Carl Clark, Deputy Director RES/TS
Rhonda Diaz, Water Conservation Program
Coordinator
Jeff Dillard, Business Systems Analyst
Marcy Driggers, Sr. Assistant City Attorney
Paul Edwards, Business Systems Analyst
Lucio Garcia, Deputy Director Natural Gas
Robin Lawrence, Deputy Director Solid Waste
John Mrozek, Deputy Director Wastewater
Viola Perea, Internal Auditor
Jose Provencio, Deputy Director Business
Services
Mario Puentes, Gas Business Analyst
Domonique Rodriguez, Rate and Economic
Analysis Manager
Alma Ruiz, Officer Manager Senior
James Stafford, Management Analyst
Victoria Strouse, Office Assistant Senior
Temp
Jill Summerlin, Utility Rate Analyst
Steven Valdez, Billing and Receiving
Supervisor

Chair Little called the regular meeting to order at approximately 3:00 p.m.

1. Conflict of Interest:

Chair Little: The first order of business is to inquire of the Board and staff if any member of the Board or any member of City staff has any conflict of interest with any item on the agenda today.

There were none.

2. Acceptance of Agenda:

Chairman Little: Next item is Acceptance of the Agenda.

Baumgarn: So moved.

Chair Little: Thank you. A second.

Archuleta: Second.

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

The Agenda was Accepted Unanimously 5-0.

3. *Acceptance of Minutes:

***a. Regular Meeting on April 11, 2019.**

The Minutes were Approved Unanimously 5-0.

4. Public Participation:

Chair Little: Next item is Public Participation. Are there members of the public present that would like to be heard?

There was none.

5. Administrative Report

Chair Little: Next item is the Administrative Report.

Dr. Garcia: We'll start with Mr. Provencio.

Provencio: Good afternoon Chairman, Commissioners. Jose Provencio, Business Services Deputy Director. I'll give you an update on activity ongoing in Customer Service and Billing and Receivables.

****Commissioner Sorg arrived 3:03 p.m.***

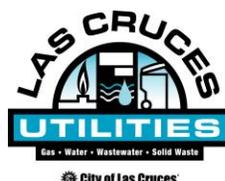
Provencio: Starting off with the item discussed previously. The scheduled upgrade to the new version of MUNIS, crashed while attempting to update. The issues were identified in terms of what the main cause and those solutions are underway to correct it. It's been rescheduled to later in the year for the weekend of November 9th to reattempt or retry the upgrade. Next item is...

Chair Little: Before, so the upgrade will be postponed then for six months or so.

Provencio: That's correct.

Chair Little: Okay. Thank you.

Dr. Garcia: If I may add Mr. Chairman because the Board is going to see this later. Citywide staff is working on policies to purge some of the data and a lot of that data is ours, of course. You will see some form of a recommended policy for records removal or destruction in a way that the conversion will happen.



Because between the Utility and the General Fund portion there's just too much data and that was part of the problem. You will be seeing some form of an action item that we'll later take to the Council for the destruction of records.

Chair Little: Thank you.

Dr. Garcia: That's part of the reason why we need all this time.

Provencio: Next item is an update on the Utility Assistance Programs, as we administer these programs to assist our customers. For the month of April or the April report and I'll be doing this every month, provide you the statistics and the activity for each one of the plans that we have and programs we have in place. Look at the, presented the information for each one of our programs on the PowerPoint. We have some specific data here in terms of new customers, new agreements, as well as the dollars involved in terms of assistance. This is an outcropping or expansion of the usual information I provided on the Casa de Peregrinos (CDP) program. For the month of April we had 75 new customers receiving nearly \$15,000.00 in assistance for their utility bills.

Moving to the actual year to date performance, we are and have met the goals in terms of exhausting or using these funds provided by the General Fund to help our customers. The slight overage will be handled and taken care of by the Budget Office. We will proceed to prepare for the next coming Fiscal Year, which we've been informed the funds available have been expanded to \$100,000.00. We are assisting our customers to the best of ability in the funding level and we'll continue to do so with the more funds available in the next Fiscal Year.

Johnson: Question.

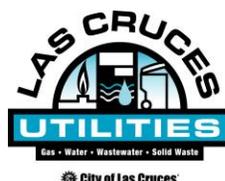
Chair Little: Go ahead.

Johnson: Can you back a couple of slides first?

Provencio: Yes sir.

Johnson: Over there under Promise to Pay you have about 1,900 customers are requesting extended due date. I'm just trying to get some feeling for that. Is that an unusual amount? Is that a typical, below, or what?

Provencio: Commissioner Johnson. This is a very often used feature or program we offer for our customers and this extends a call to our Accounts Receivable representatives in section. The customer will say, "I need a couple of weeks for the due date." With that information, that heads up, we flag their account. Late fees are not applied because they've requested a slight extension of the due date. Once their finances are arranged, they pay their bill.



Johnson: I assume that their request, but it would be very unusual for a request to be denied.

Provencio: It's unusual for it to be denied. This is mostly a proactive interaction between the customer and us and those that honor their pledge to pay, 9.9 times out of 10 they honor that.

Johnson: Only if you're dealing with somebody that's perpetually doing that and then they're not making their then you'd say no and, okay.

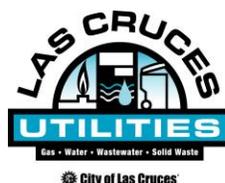
Provencio: This program has been well used and it's worked very well. That's where we have a lot of the requests coming in.

Johnson: Yes. And having something that keeps people from paying late fees because they can see that they've got a short-term problem, it's a good program. I just wanted to get some feeling for how well it's working. Thank you.

Provencio: Okay. Going back to the information on the CDP program. The final graph presents it in a graphical form displaying that we have exhausted these funds and we'll continue to assist our customers going forward.

The next item I will brief you on is the Third Quarter Budget Financial Report. At this point, the Third Quarter there are three driving factors that are providing some level of activity or situational status of our budget performance. The three factors at the Third Quarter of this Fiscal Year are the continued good news on the cost of gas commodity continues to decrease when you compare it to prior years and throughout the year, that affects the revenues and expenses for gas. You also have the seasonality that's touching the Water Utility because the last quarter is when their performance comes into play with peak use for water. The impact of an accounting adjustment that was pretty much directed to the City by our external auditors that affects the booking and the presentation of revenues. All-in-all absent that, we're still on track but those are the nuances that are affecting the Third Quarter Comparison and I'll briefly touch base on each one of those.

Overall the Utility is with those three caveats and those three drivers, we're doing as we expected or projected. When we look at the individual utilities the Gas, again the prime driver in Gas as I mentioned before is the advanced or the continued good news on the cost of the commodity. Our prior meetings you were informed that the cost of Gas is at really historic levels in terms of cost per dekatherm, so that's showing up or displaying itself in the Third Quarter Review, as well as some of the, on the expenses side there's still the ongoing effort to fill vacancies not just for the Gas section but throughout the Utility.



Water presented for the Third Quarter reflects on the expense side hitting the target or the projection for Third Quarter performance. The revenues again are affected by number one seasonality and the adjustment that I mentioned before regarding booking and reporting revenue.

Wastewater presents their performance for the Third Quarter on the expense side close to the projection for the Third Quarter, and the revenue, slightly lower, again based on the accounting adjustment that was directed by our external auditor.

For Solid Waste on the revenue side very close to the projections when budget was prepared. Expenses reflect some timing of some expenses and some vacancies within the section in the Solid Waste area.

Shared Services, again the prime driver here would be some deferred expenses that are expected to be completed or completely expensed by the end of the Fiscal Year and vacancies that still affect this part of the operation. With that, I'll stand by for any questions you may have.

Chair Little: Commissioner Carmichael.

Carmichael: Joe. Maybe the timing of when you're able to record income is the answer to it, but just for my clarification, all four utilities basically are down in revenue compared to previous years. In looking at it each one had at least as much volume some slightly up, which without any other changes wouldn't make much sense that revenue would be down. Is all that the result of the change that you mentioned that the auditors requested?

Provencio: Chairman, Commissioner Carmichael. That's correct. We've looked at this ad nauseam and we know that the way it was implemented it was a one-time adjustment at the beginning of the year. It's going to be made at the end of the Fiscal Year. We know that we've had to make various evaluations to ensure that we are on track, if not for that one adjustment.

Carmichael: That will catch up over time.

Provencio: Yes sir.

Archuleta: Can you tell us what the adjustment is? What's the adjustment?

Dr. Garcia: I have it in front of me, so I'll make it easier for Joe. In the Gas Utility it was \$576,000.00, the Water Utility \$1.23 million, \$532,900.00 in Wastewater, and \$659,000.00 in Solid Waste with a total of \$3 million. What the auditors did is for the very first time in as long as I've been here, they moved the revenues that were associated for example in July, the revenues that were associated with Water sales in June, remove them from this Fiscal Year and put them in



FY18. Now we've never done that. This has only been done at the beginning and the end, so in July, this coming July we're going to see monies coming in to the June, so it's going to look good for this year, but then next year's going to be the same thing. We don't agree with these auditors, at least staff internally and we're going to get an opinion as to whether that should continue to be the practice; because if that's the practice, like Mario was bringing that up in our discussion, it should be done every month, then you don't see this gap. When it's done at the beginning and the end what you see today is three-quarters worth of expenditures and almost three-quarters minus one month of revenue. We've had to do, and Joe's staff, Domonique is doing the tracking of the Debt Service coverage because that was a concern. We're having to add an amount that was adjusted to track what the real one was going to be in July when those revenues from July get apportioned to the sales of June for all the utilities. I've never seen it done that way. None of us have seen it that way. This auditor decided to do it that way. We know other utilities don't do that, but we'll see if we stay with this.

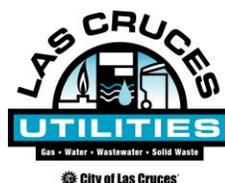
We still need to talk to the Finance Director and Management because from the Utility point of view we don't agree with that. In fact, in the private audit that is a finding so we're saying, "Well if this is a finding the prior auditors never said to do it otherwise." The auditors adjusted that and again it's \$3 million off the revenue from this year. Right off the top.

Otherwise, for example right now in my calculations we are at, if you look at the, like Water instead of being at about 62% for the revenue it should be almost 70% by now. In June you'll see this spike of revenues when the revenues, monies from July get moved to actually receive in FY19. I was there trying to tie the actual sales commodity and bring in those revenues to the year, in which it was consumed, and we never did that because we just calculated revenue and expense for that given month. It's just different auditing practices, but I mean you do it beginning and end it shows in your quarterly so if we continue the next year every quarter's going to look low until the very end. First quarter's going to be low because they're going to take monies away from July.

Carmichael: The problem is it forces you as management to look at other indicators to track the business.

Dr. Garcia: Correct. One conservative thing we're doing is we're assuming at least this much because we had a rate adjustment, right, at least on two of the utilities, so we're assuming those numbers for tracking purposes back in. When you get this little report as part of your file, you get what I give City Management. This Third Quarter included two charts. The bottom chart has the revenues back in, but it should have...

Carmichael: I guessed that's what that was.



Dr. Garcia: Yes. And makes a difference. Looks much better. This one is going to be. Now the Fourth Quarter when we bring it to you after the adjustment, hopefully they'll do the adjustment before, because usually the auditors do that, so I don't know. We might still see the Fourth Quarter unaudited with a deficiency and then the audited numbers will bring it back in. Very complicated and again we don't agree with that because that would mean that if that was a finding then all prior auditors for the last 20 years were wrong. I don't believe so. It's just different auditors with different ideas. My opinion.

Carmichael: Can I ask one more question Mr. Chairman?

Chair Little: Please.

Carmichael: Is the current level of vacancies, I was looking at those on your individual Utility report, is that historically about where that stands or is it higher?

Dr. Garcia: Mr. Chairman, Commissioner Carmichael. It's really bad. It has improved after this last month I've seen a reduction. We were up to 16% and we're down to about 13%. It should be in the eight or nine, worse case, even with retirements and that. It's extraordinary this year. If you recall in the budget, I have one position reclassification to have a single point of contact in Human Resources (HR) Hiring Coordinator in the Utility that can work with HR. That's the purpose is to try to improve the process. A lot of it is, one is retirements, others are people just moving on and there are people going to the east side of the state because there's higher paid jobs. There are people going to the private sector because there's higher paying jobs.

Carmichael: The market is really tough.

Dr. Garcia: It's picking up. You can tell. We should be in the 8% to 10% and not 13% and I was at 16% when this report was generated. It is unusual and it's worse than the prior two or three years.

Carmichael: It'd be good to see how the coordinator with HR.

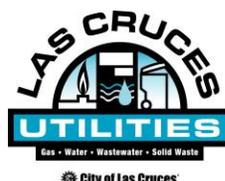
Dr. Garcia: Try to improve the process at least on our side and then we'll see. I know that Human Resources also adding staffing to deal with some of these large departments.

Carmichael: Thank you. Thank you, Mr. Chair.

Chair Little: Anything else? Okay. Thank you.

***Marcy Driggers arrived 3:20 p.m.**

Provencio: Welcome.



Dr. Garcia: Next item is really projects. We don't have anything new on Water Litigation. I did not list anything. One thing I do know, and I didn't put it in there, there are other on the TX v. NM, there are other depositions being taken from others including the State Engineers office, prior state engineers, etc., etc. That's all we know that is going on at this time.

Chair Little: Okay.

Driggers: I apologize for my delay. The railroad train got stuck and I got caught for 10 minutes.

Chair Little: Well at least that's a new excuse. We're not blaming it on...

Dr. Garcia: It is not Valley Drive this time Marcy?

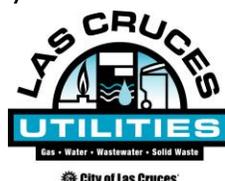
Chair Little: I'm sure the trains are delayed because of Valley construction.

Clark: Chairman, Commissioners. I'm Carl Clark, the Regulatory and Technical Section Deputy Director. I'm here to give you the May 2019 Projects Update. The three projects I have for you today are the Talavera 8-inch Steel High-Pressure Gas Pipeline Extension; the Water Service and Road Rehabilitation Project, Visa de la Montana, Vista de la Luna, Pines, and Sonora Springs; and the Jacob Hands Wastewater Treatment Facility Primary Digester No. 1 Repair of Hot Water Leak.

That first project is the Talavera 8-inch High-Pressure Gas Extension. The contractor for that project is DuCross Construction. This project specifically is on Dripping Springs Road. If you want to see the progress of the project just drive down Dripping Springs, you'll see every bit of it. The contract cost is \$1.5 million with 131 working days. They started March 4th and an estimated completion of September 5, 2019. Approximately 15% complete in regards to construction, and 9.9% in regards to payments. The contractor has completed all the borders that cross Dripping Springs Road from the north side to the south side. He's already installed the low-pressure poly pipe, which is 4,820 lineal feet of that pipe has already been installed. Currently the contractor's working on installation of the 8-inch high-pressure steel gas line and that's what you can see strung out on the shoulder of Dripping Springs right now. They're receiving the pipe. You don't see all the pipe stacked up. The pipe's coming in weekly so they're staging it out, welding it and then another truck comes in the next week, staging that, welding it, staging that, welding it.

Carmichael: Just-in-time process.

Clark: Just-in-time process right, it's like manufacturing. The upper right photo shows that the contractor installing the data logger for pressure testing on the low-pressure gas line. They go through a process that has to pass the pressure test. Then here you see offloading of the 8-inch steel gas pipeline off the



tractor-trailer rig that it comes in on in preparation to lay out on the ground. Actually, they don't place it on the ground, they place it on cubes, cushions that they put the pipe, so they don't scratch the coating on it. That's why you see those cubes out there and the pipe on top of the cubes, so it makes easier access for the welding process as well. Any questions in regards to that project?

Chair Little: Thank you.

Clark: The next project is the Water Service and Road Rehabilitation at the Vistas and the Pines and then the two other subdivisions, Sonora Springs. The contractor is Smith and Aguirre Construction. The contract cost is \$1.8 million. Contract time is 196 working days. They began this process back in November 5, 2018. Estimated completion August 19, 2019. They're approximately 54% complete in regards to construction and 17.9% in regards to payment. They have payments in right now that my Project Manager's working on currently. They've already installed approximately 14,000 lineal feet of 3/4-inch water pipeline and 150 of the 483 water services lines that have been replaced. Asphalt and excavation work has been expanded to ensure asphalt repairs are complete in the Vista's area. What we mean by that last statement is that myself, the project manager, the contractor, we walked the streets out there, half of the streets where they were working on first to ensure that when they removed the asphalt, the sunken patch, that it encompassed entire portion of asphalt. In some cases, it wasn't quite clear in the plans, so we went out there and walked each and every one of those patches to ensure we cover it right and get a nice flat patch in there. The upper right photo shows the excavation on Organ Peak Drive. You can see they cut out quite a bit. Now they're working on backfill, compacting that area. The next one's on Moonview Drive where their working around a water valve to ensure that we have a nice even flat asphalt roadway when we get done.

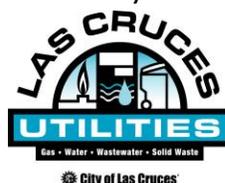
Archuleta: Carl. Mr. Chairman.

Chair Little: Go ahead.

Archuleta: Carl. Is it 54% based on dollars? 54% complete.

Clark: Yes, 54% based on regards to construction. They've already processed through the contract items that far; however they haven't received payment yet on those items because they have delays in agreeing on when they provide a spreadsheet, it's not correct. My project manager has to push it back and say you need to fix these items, they don't match what I'm getting. It's a process going back and forth to make sure it's right. Construction-wise they're still moving and it's ahead of their payment.

Archuleta: Right, but pipe install they're about 30%.



Clark: Right, but then there are other items in there. There are asphalt patches that you don't see. The contract included replacing asphalt patches that sunk.

Archuleta: Right.

Clark: It may not include pipeline. That should be the difference that you would see in there.

Archuleta: Looking at the pipeline installed, it looks like they're behind schedule. That's what I'm saying.

Clark: Right. They've done a number of sunken patches out there. They focused on sunken patches to make sure they cover those. That meant they went in and over excavated the patch that sunk, back filled, compacted to the top, reapplied the asphalt, and repaved it. That's work that's included as part of that construction process.

Sorg: Carl.

Clark: Yes sir.

Sorg: When do you think they'll resurface?

Clark: Chairman, Commissioner Sorg. I'm working with Public Works on that. It's already scheduled in for September. That's when Cutler Repave, it's a micro surfacing company will come in under a State funding agreement or I believe it's a CES (Cooperative Educational Services) since it's a bulk amount, a bulk agreement we get a better price, that's why we're waiting for that. We get a lower square yard cost on this micro surfacing. Instead of me doing half a dozen or a dozen streets, they're 50 or 60 streets now in the City and so we get the better price. This is included in their schedule.

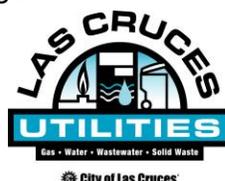
Sorg: Okay. I'm sure you will do it efficiently.

Clark: Yes, we're trying to squeeze every bit of money out that we can.

Sorg: I'm wondering if you're going to do both neighborhoods at the same time.

Clark: Yes. Yes, I've included that in the Pines and the Vistas, anywhere else that we're cutting back in there. Public Works has already passed that on to me. I've looked at all the streets and make sure that they were all in there. We're ready to go on that process, we've just got to get done with the work here.

The next project is the Jacob Hands Primary Digester No. 1 repair of the hot water leak. As you all recall you all approved a contract with Evoq who built the heat exchanger. That came in. Smithco Construction received the contract



for the installation and for the cleanup of the digester tank, and then the repair of the old unit so that's all part of this contract that Smithco Construction has. Contract cost is \$367,000.00 with 65 working days. They started back March 4th. Contract time was suspended to allow staff to pump down the digester well. They pumped down the digester. Because there was a leak in there they had shut down the process. They were able to pump down the digester so far and grab the liquids, but some of the solids had solidified really well. The contractor's having to deal with that issue. Instead of being able to suck it out with a vactor they're going to have to find other means to break it apart and pull it out and then haul it away. Estimated completion June 21, 2019. They're approximately 50% in regards to construction, 28% in regards to payment. Like I said the heat exchanger's been removed and replaced. The lower right photo is the new heat exchanger and the upper right photo is them trying to remove that heat exchanger out of that hood. Like I said the digester's going to pump down to approximately two feet above the manways and that's where the fun has started, trying to remove the solids out of there that solidified even more because there has not been any heat infused into it. We're dealing with the contractor on that. We'll let you know what happens further down the road when he gets moving in on that. That's all I really have.

Chair Little: Other questions?

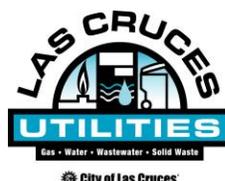
Clark: Thank you.

Chair Little: Last month there was a project that was just woefully behind.

Clark: Correct.

Chair Little: You said you were out there with a whip. How does that stand today?

Clark: That would be the road rehab project that I was talking about with Smith and Aguirre Construction, I believe. Well, lo and behold there was an issue we ran into in the Vistas that has given the contractor more time. The water main, which is anticipated to be three feet deep ended up being six and seven feet deep in certain streets. I don't know if it was the storm drain conflict or what it was. Now that changed the scope of work for the contractor. He now has to bring in a shoring box everywhere, so it's significantly slowed him down even further. Now he has to over excavate even more just to drop the box in to be able to do the work. In addition to that, he has to fight a storm drain, so now he's having to dig a separate hole on the opposite side of the storm drain to catch the bullet and then now he can send the bullet to the customer at the meter site. That's added more work. It's added more time to the project and more cost that we're dealing with right now that we'll have a change order going to the City Manager for approval on that. That's what's pushed the contract out and set the new end date.



Chair Little: Okay. Thank you.

Clark: You're welcome. Always fun in project management.

Dr. Garcia: We're ready for resolutions Mr. Chairman.

6. Resolutions for Discussion:

6a. Resolution 18-19-109:

Chair Little: All right. This is probably a good time to ask about the flyer that we had on our desk when we came in for the May 22nd open house here in the garden.

Dr. Garcia: We're going to be talking in Old Business about all the water conservation related issues including the report on the Young Park Festival, so we can address it at that time.

Chair Little: Okay. Thank you. All right, then in that case we will go forward with the Resolutions. The first Resolution is Resolution 18-19-109: A Resolution Awarding a Contract for Jacob A. Hands Wastewater Treatment Facility New Water Quality Laboratory Building Furniture, Project No. 18-19-109, to Contract Associates, Inc., of Albuquerque, New Mexico, for a Total Award Amount of \$136,312.14.

Sorg: Move to approve.

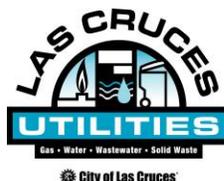
Chair Little: Thank you. A second.

Baumgarn: Second.

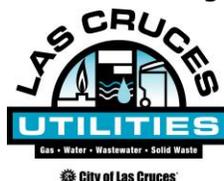
Chair Little: Thank you. Discussion.

Clark: Chairman, Commissioners. Thank you. Basically, this Resolution like you said is for the Water Quality Lab furnishings. We're using a contract that was approved by Council. It's sort of a piggyback contract. We're jumping onto US Communities is the name of the contract. This allows us or affords us the opportunity for a cost savings because we get a better cost since so many communities participate in these furnishings. In addition, facilities have standardized our furnishings and our buildings, so Hayworth is the company that provides that furnishing or is approved for the standardized furnishings. That's why we're utilizing this contract to complete the Water Quality Lab furnishings. I got to take a look at the furnishing layout again, it's hard to believe, there's a lot of furniture that goes into that building. It's a large building and you've got to think of break rooms, meeting rooms, and all these other areas that require furniture.

Chair Little: Lab benches and so on.



- Clark: Lab benches, lab chairs, and stools and the list goes on.
- Chair Little: Questions? Comments? Dr. Johnson.
- Johnson: That is a firm fixed price since this is just, you're buying from a catalog there's no contingency on there.
- Clark: Chairman, Commissioner. Our architect actually took what we standardized, and he applied it to all the rooms, came up with the quantity list and then it got provided to the Contract Associates who is the vender under this contract and then they pieced it all together. They're on hold waiting for us to send them a Notice to Proceed letter and once you all approve this, we'll send them that Notice to Proceed letter and they'll get started manufacturing the furnishings and getting prepared to ship.
- Johnson: You get it on the dock, you still have to install it. That's not in the cost.
- Archuleta: It is.
- Johnson: It is?
- Clark: That was part of the agreement. Yes. They will install.
- Johnson: Build and install. Since you're going into a new building why it shouldn't have any unusual aspects to it.
- Clark: Not that I would think but there's always something, right? Project Management.
- Johnson: That's why you're doing firm fixed price. They buy into the risk not you.
- Clark: That's correct Chairman, Commissioners. The architect's done pretty good job so far. We've had minimal changes to the contract, and I don't perceive any issues with this one here.
- Johnson: Okay.
- Sorg: Mr. Chairman.
- Chair Little: Go ahead.
- Sorg: Carl does this push back our ribbon cutting date?
- Clark: If we want to go into a fully furnished and functioning building, yes. Once we issue that Notice to Proceed then they'll move on it as quickly as they can. My project manager's been talking to them constantly. They were talking about



changes and still prices and he told them to honor that price. We're going to the Board and we need you to honor this price. They said they would hold it.

Chair Little: Ribbon cutting will be a lot nicer with a fully functional building.

Clark: Sure would. Yes.

Chair Little: Other comments or questions? Ready for a vote.

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

The motion was Unanimously Approved 6-0.

6b. Resolution 18-19-LCU023:

Chair Little: All right, the next Resolution is Resolution 18-19-LCU023: A Resolution Recommending to the Las Cruces City Council to Authorize the Write-Off of Uncollectable Utility Accounts Receivable for Fiscal Year 2013 in the Amount of \$325,190.24.

Sorg: Move to approve.

Chair Little: Thank you. A second.

Baumgarn: Second.

Chair Little: Thank you. Discussion.

Provencio: Chairman, Commissioners. Resolution 18-19-LCU023 seeks your approval for the recommendation to Council for the write-off of utilities uncollectible amounts for Fiscal Year 2013. Providing a historic look of the process and performance. You demonstrated that our diligence in terms of managing uncollectables is proof in the pudding, proof in the data. We continue to do what we've always done, and we're obligated to do by the Master Ordinance. Slide 17 gives you a brief overview of the levels and percentages of total bill. With your approval, this will go to Council and that will be incorporated with the rest of the write-offs for the City.

Chair Little: Okay. Thank you. Comments or questions?

Archuleta: Yes. Have you looked at the information relative to the percent by utility?

Dr. Garcia: I don't believe so. Mr. Chairman. I don't believe we look at that separate because we use a total bill. Like I suppose we have the information. It is a total bill, which includes the water rights, the gas, water, wastewater, and



someone has four utilities, all four utilities. We could analyze it separately since each customer an individual customer.

Provencio: That's correct.

Dr. Garcia: That's a good question.

Provencio: At this point we just look at it in aggregate Commission.

Dr. Garcia: We're looking at Paul back there, so he already knows this is coming.

Archuleta: The other thing I noticed is that of course I know we've made some policy changes just in the last year, but when you look at the bills that are written off, most of them are tens of dollars. In other words, \$30.00, \$40.00, \$50.00.

Provencio: Right.

Archuleta: A few that are over \$100.00, but most of them are small. Since this is 5-years ago I think hopefully we're hoping that maybe going forward we're going to have even better results as a result of some of the policy changes to try to work with the customer much earlier before they go into arrears.

Provencio: Chairman, Commissioner Archuleta. That's correct. The changes that we've put into place over the past year, that is the expectation. The data should show that over time.

Archuleta: Right. Okay. Thank you.

Provencio: Yes sir.

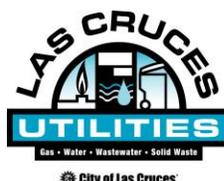
Dr. Garcia: Paul, did you want to answer whether we have some data available? Can we produce it quick enough to segregate this by, or allocate by gas, water, wastewater, solid waste?

Edwards: We can do that kind of analysis as well as if desired we can do analysis of let's say, bills balances under \$100.00, how many bills would balance between \$100.00 and \$200.00?

Dr. Garcia: Distribution.

Edwards: Yes, the distribution, so if the Board desires that kind of analysis we can produce those numbers.

Dr. Garcia: Okay.



- Sorg: Mr. Chair. Are you all saying that you can pay your bill separately on each of the?
- Dr. Garcia: What I was saying, it's a total bill, but each customer, as you know we have different customers. You could be a customer that has all four utilities, you may have only gas, only water, so Paul confirmed that yes, we can do this analysis. What you see here is the aggregate, but what Commissioner Archuleta's asking is can we break it and the answer's yes. Moving forward if you want to we can segregate and bring you the information on that, just so we can track how different utilities are doing.
- Sorg: Are you talking about class of customer?
- Dr. Garcia: No, we're saying between gas, water, wastewater, and solid waste. The separate...
- Sorg: Are there a lot of people that just pay for gas?
- Dr. Garcia: No, we have some customers that are not our water customer and they don't have sewer. They may have solid waste and gas. It's different, as you know we have 42,000 gas customers or so, about 37,000 water, about 35,000 wastewater so there are different customers and they're aggregated here.
- Chair Little: For instance, we didn't have wastewater.
- Sorg: Oh yes, of course.
- Dr. Garcia: Paul confirmed that we can do that.
- Chair Little: Would it be good enough to ask for that the next time there's a write-off resolution brought to us?
- Archuleta: Sure.
- Dr. Garcia: Yes. We'll break it.
- Chair Little: Okay.
- Provencio: So, noted sir.
- Chair Little: Okay, so please the next time bring us those underlying data so that we can understand both the bulk and the improvements and the granularity of the issues.
- Provencio: Chairman. We will do that. That will be done.



Chair Little: Anything else? Ready for a vote.

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

The motion was Unanimously Approved 6-0.

7. Old Business:

Chair Little: Next item is Old Business.

Dr. Garcia: If I can ask Ms. Diaz to tell us about Water Conservation.

Diaz: Good afternoon Mr. Chairman, Commissioners. Rhonda Diaz, Water Conservation Program Coordinator. I am here to give you an update on the 8th Annual Children's Water Festival, which was last month. We had 11 elementary schools that attended. There were approximately 850 students, which included teachers and chaperons. We had 64 volunteers, which of course we couldn't function without volunteers. Of the presenters that volunteered their time and their information and their expertise, we had six City of Las Cruces Departments, which included Utilities, Parks and Recreation, Quality of Life, Economic Development, Police and Fire. We also had 13 community organizations that also participated in their presentations.

Here are some pictures of the event that were taken. Also we asked for volunteers, teachers and presenters to complete an evaluation of the event, three or four questions. These are some comments that were made on those evaluations. There was one that said that the kids were anxious about learning how to appreciate compost, which I agree very much about. A lot of educational, fantastic, enjoyable, it was a beautiful day that day, thank goodness.

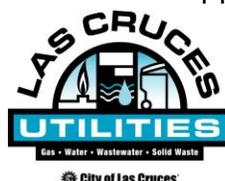
Finally, the much-anticipated Dr. Garcia and the Water Wizard picture. This is the fourth one. We're doing really good. Again, this year we did provide refillable water bottles and five-gallon water containers that the kids were able to refill. Everybody that attended received a refillable water bottle. That was a big hit. Any questions on that?

Archuleta: Good job.

Chair Little: A comment. Again, it was a lot of fun.

Baumgarn: A lot of good press.

Diaz: Thank you. This is the Save the Date flyer for, this will be the 4th Annual Spring Stroll in the Garden. That's happening on May 22nd. Out here on the property



in the front we have our demonstration garden and that will be from 9:00 a.m. until 12:00 p.m. We'll have coffee and juice and some pastries. We'll also have some experts there that will partner with their expertise such as Dr. Carol Sutherland which is with NMSU. She's the entomologist there. Dr. Leslie Beck, she's a weed specialist. John White who is a certified arborist, tree expert, and Ken Futrell who is with Ewing Irrigation, that's an expert in irrigation. Those people will be available for the community to come, stroll the garden, ask questions if they have any and just to see how beautiful our garden is here on the property. That's all I have.

Chair Little: Okay, could we have a .pdf of this to forward to our correspondence.

Dr. Garcia: Yes sir.

Diaz: Yes.

Sorg: Haven't we gotten it already?

Diaz: No.

Sorg: I got others.

Diaz: Yes. This one's hot off the press.

Chair Little: You're in a different feed. We haven't gotten it yet.

Dr. Garcia: We haven't sent this one. We'll send it out.

Diaz: Yes.

Chair Little: Okay. Thank you.

Diaz: Thank you.

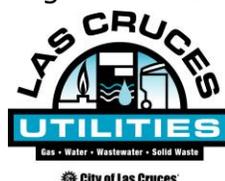
Chair Little: Other Old Business.

Dr. Garcia: Nothing else from staff, Mr. Chairman.

8. New Business:

Chair Little: Okay, New Business.

Dr. Garcia: Mr. Chairman. Just a couple of items. One is the City has a brand-new website, so we're all navigating through it. If you go in and look for something you used to look and it's not there, don't be surprised please contact Alma. A lot of information's there but we're rebuilding, and correcting things and every department is doing that. We're all getting familiar with it and seeing what



needs to be changed. Joe is dealing with the rate schedules, right Joe, and not consistent for the Water/Wastewater, which are brand new rates so things like that. It's new stuff. I think it's going to be good. Don't be surprised if you don't find what you used to find.

Johnson: All your old bookmarks to where to pull information no longer work at all. Yes, I found out already.

Dr. Garcia: I'm glad we mentioned that because we thought the Board Members may go in there and look for something. As you know every year the City does this Neighborhood Leadership Academy that is for the community the Utility is going on May 15th from 6:00 to 8:30 p.m. I know that you're all welcome to attend. It starts here but then we do a display of the whole Utility operation both inside and outside. We go all the way from Gas, Water, Wastewater, Solid Waste for field applications and then we do Customer Service and we do the Supervisory Control system demonstration, Griggs/Walnut, everything here, and then we have different groups that walk around. I know the Chair has been here before to look at that operation. That is May 15th which is next Wednesday from 6:00 to 8:00 p.m. if you are interested. That's all we have for the New Business.

Chair Little: If you can tag along with one of the groups that evening it gets you a good overview of the utilities and also a good chance to look at some nuts and bolts that we might not have otherwise seen.

9. Board's General Discussion:

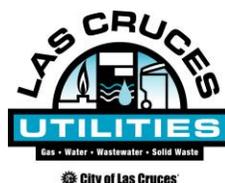
Chair Little: Board's General Discussion. Dr. Johnson.

Johnson: Yes, this is just mostly a curiosity item, but the other morning I came out and there were City trucks moving across the street from me and said Utilities on there, so I naturally said, "Well what in the dickens are you doing?" They said well the people over here decided they no longer need gas service and they're having to break through the street there to get down to shut off gas service. That really surprised me because I thought you shut it off right before the meter, but they were having to dig down and spent the whole day or most of the day to get to where they needed to be to turn off the gas service for that particular piece of property.

Dr. Garcia: Mr. Chairman, Commissioner. I believe it's regulatory requirement, if it's a permanent cap to remove the gas all the way to the main.

Johnson: Okay. Whoever made that decision for that piece of property then is billed.

Dr. Garcia: Yes, and we can look what it was, and Lucio can bring us information next time as to why. That's rare if someone moves to electric heating or whatever they're



going to do, but we don't do that on someone that is delinquent, or we just shut the valve.

Johnson: No, I didn't think so.

Dr. Garcia: This is a permanent shut off. If you're going to abandon a gas line you need to remove the service down to the main line.

Johnson: Okay. Just because that's the next question I had, how in the world are they going to heat the house next winter there?

Dr. Garcia: Could be electric.

Johnson: Electric heating is not very cost effective.

Dr. Garcia: It's not common but I'll ask Lucio to bring us more information maybe during Projects next time we can show and see what it was and get you more details as to. I don't see those very often.

Johnson: I had never seen it done before where they had to go cap clear back to the main.

Chair Little: Certainly, seems irrevocable.

Dr. Garcia: Especially with the low price of gas these days, why would you go away from gas.

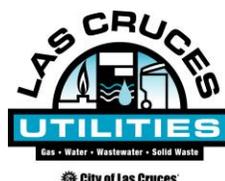
Chair Little: Okay.

Archuleta: I have a comment.

Chair Little: Commissioner Archuleta.

Archuleta: Yes Mr. Chairman, thank you. I just want to mention that a couple of weeks ago we had Two Nations/One Water Conference and I want to thank Dr. Garcia and the staff, they were there at Las Cruces Utilities was one of many sponsors of this event. We had about 240 registrants. Dr. Garcia did present the water smart meter overview to the group. I think there was a lot of interest and I know Carl Clark was there and had demonstration booth you know showing how all this fits and how it all works together. I just wanted to thank the Utility again for being a sponsor and for Dr. Garcia being there. Like I said it was I think very successful.

Chair Little: It was a really good conference with a lot of meat that wasn't presented in Greek. Anything else?



10. Next meeting Date:
a. June 13, 2019.

Chair Little: Our next meeting is June 13th. Do we have any possibility of Work Session in advance of that meeting?

Dr. Garcia: No, not at this time Mr. Chairman. If there's any new developments maybe in the Water area then I'll have Jay send us a summary, but no, I don't anticipate a work session. We're working on the Solid Waste numbers Rate Review, but it's too premature. We haven't even taken anything to the UCAG (Utility Customer Advisory Group) yet. It's in progress.

Chair Little: Do we have an intact UCAG at this point?

Dr. Garcia: Yes. Well one member didn't come in, but we have a new appointee, a former El Paso Electric rate type of person that actually was his first meeting yesterday, was introduced to the rest of the Board. We have a full UCAG, but one member hasn't come for a couple of meetings and we will find out if he needs to be reappointed

Chair Little: Okay. Thank you.

Dr. Garcia: The vacancy from Mr. Daly was filled by the Mayor.

11. Adjournment:

Chair Little: I will entertain a motion to adjourn.

Johnson: So moved.

Chair Little: Thank you. Second.

Sorg: Second.

Meeting was adjourned at approximately 3:52 p.m.

William M. Little
Las Cruces Utilities Board Chair

Date

