



City of Las Cruces®
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Capital Improvements Advisory Committee

Minutes for the Meeting on

October 20, 2016

1:30 p.m.

Utilities Center

Conference Room 218

Committee Members Present:

Ronald Johnson, Chairman
William Beerman, Vice-Chairman
Jerry Nachison, Committee Member
Eugene Suttmiller, Committee Member

City Staff Present:

Carl Clark, RES/TS Administrator
Justin Dunivan, Deputy Police Chief
D. Eric Martin, Facilities Management Administrator
Carolynn Rouse, Office Assistant Senior
Alma Ruiz, Office Manager Senior
David Weir, Community Development Director

Chair Johnson: Called the meeting to order at approximately 1:30 p.m. I would like to have our new member introduce himself.

Vice-Chair Beerman: Jerry?

Nachison I'm Jerry Nachison. I'm retired. My old boss from the City is sitting over there. We go back, I guess, six years now. I'm retired and spent much of my career in Washington, D.C. in the Office of Housing and Urban Development; working in planning, senior housing and disabled housing. I worked for a couple of non-profits before I came here; regional housing companies, both on the design and on management; and I've been doing very different things since I've been here. Part of my background, but not my focus, and I'm having fun. This is a nice chance to get back to planning stuff.

Chair Johnson: I admit that I have some knowledge of Jerry, so I'll hold that aside. Jerry and I have met in another life, it seemed like yesterday.

1. Acceptance of the Agenda:

Chair Johnson: We will go to our Agenda. Do we have a motion to accept the Agenda?

Suttmiller: So motioned.

Nachison: Second.

Chair Johnson: A motion and a second. All those in favor? Aye.

Nachison: Aye.

Vice-Chair Beerman: Aye.

Suttmiller: Aye.

The Agenda was Accepted Unanimously 4-0.

2. Acceptance of the Minutes:

a. Regular Meeting of September 15, 2016

Chair Johnson: We have the Minutes. Has everybody had a chance to review the Minutes?
Jerry, I may exempt you.

Vice-Chair Beerman: Yes.

Chair Johnson: Bill has. Gene?

Suttmiller: Yes.

Chair Johnson: So have I. Do I have a motion for acceptance of the Minutes?

Suttmiller: So motioned.

Vice-Chair Beerman: Second.

Johnson: We have a second from Mr. Beerman. All those in favor? Aye.

Suttmiller: Aye.

Nachison: Aye.

Vice-Chair Beerman: Aye.

The Minutes were Accepted Unanimously 4-0.

3. New Business:

Chair Johnson: We're on to Item 3, New Business. This is really just for disregarding, because it says none.

4. Old Business:

Chair Johnson: We go to Old Business. Do we have our presenter here?

Weir: I'm a last-minute substitution.

Chair Johnson: I thought you were, that's why I asked the question. You don't look like Sonya Delgado to me. Why don't you give us just an inch of background of where we've been and what we're doing here today, and first introduce yourself.

Weir: Thank you, Mr. Chairman and Board members. I'm David Weir, I'm the Community Development Director. Sonya called me a few minutes ago saying she was double-booked, and asked if I could do the introduction to the Land Use Assumptions. I believe the other thing she was going to do was go through a tentative schedule for updating the Parks and Recreation Master Plan, and also updating the Parks Impact Fees. I told her I could help out with the Impact Fees and the Land Use Assumptions.

As some of you who have been on the Board are aware, to adopt an Impact Fee, you have to first do Land Use Assumptions, then you also develop a list of Capital Improvement Projects, then you actually calibrate the fee based on a level of service, and once that's adopted you make a recommendation to City Council. If they approve it, it becomes the law of land and the Impact Fees begin to be collected by the City, and then can be spent for projects based on the Capital Improvement Project.

What I handed out to you is the Land Use Assumptions that were just completed for the Public Safety Impact Fees. The plan for that was that that was a total recalculation of Land Use Assumptions for the next 20 years, and that they would be used for the updating of the Impact Fees for the Parks and Recreation Impact Fees, and also the Utility Impact Fees. As each one of those projects started, they would come back and look at the Impact Fees; are they still valid and if they were, use that to establish the level of service and continue going forward with that project. As I quickly went through, it was kind of interesting. October of last year is when the consultant submitted the last set of Impact Fees and he made a recommendation to City Council on them, and they were adopted in December of last year so these are still relatively fresh as they go forward.

I just wanted to give you a little bit of background on what the purpose of Land Use Assumptions are. What they do is they establish the proportion of various land uses. Impact Fees are typically collected with single-family building permits, multi-family, commercial and industrial building permits, and it shows growth in the City. The Land Use Assumptions make those growth projections from population, the amount of permits that will be issued, the square footage of the commercial growth and industrial properties that are coming in.

The last set of Land Use Assumptions that we did also included what was the functional population during the day. I'm not so sure that will be as important this time; that was because it was Public Safety and there are people who don't live here that would need those services. It's a little bit different with

Parks, so as we do that review, I'm not saying that people visiting us don't use our parks, but the collection will be a little different in how they're calculated. Once those populations grow, they also are used to calculate the level of service and I believe in this case it would be the amount of park land, parks that exist, what the amount of that is for the population of the City, and what type of improvements are in them, so that they can then do that analysis and determine what is the current level of service. Because Impact Fees basically have been established to maintain that level of service, the theory is that as growth takes place in the community, you're collecting these fees to make sure that you have park and recreational opportunities to keep pace with that new population in the community. That's one of the things that they are used for, is to establish that level of service to determine what the actual fee will need to be.

That's what I know about the establishment of those, and as we get into it and get into the schedule, Sonya will give you much more background on the update of their master plan and their needs for the plan. I can quickly hit some highlights in that existing sheet of what it projects for the City as far as growth goes. What it's projecting for residential is that a growth rate of 1.52% per year, basically that will continue to grow, and that the growth rate for non-residential will be at 1.8%. Both of them are below 2%, not fast growth, but we are continuing to grow. There was quite a bit of discussion about the single-family permits when we adopted these. The Land Use Assumptions anticipate that it's an additional 529 units per year, and it looks like we're going to be pretty close to that. We have already, with three more months to go, approximately 400 single-family building permits and probably 70 to 100 of the mobile home installation permits that are collected, so we'll be within that number. The way these were calculated, that's an average over the full 20 years. They were first set at a lower rate, and then accelerated at the end of the 20 years. It looks like we're within the margin of error with the growth that is anticipated.

The population, I believe, will indicate at the end of the 20-year horizon that it will be approximately 111,000. We're at around 101,000 today, or at the time that the Land Use Assumptions were prepared, and that the non-residential square footage that will be developed in that year is approximately 20 million square feet. The breakdown of how they anticipate those fees being collected would be 72% would come from the residential growth and 28% from non-residential growth.

Just getting back to the Impact Fee State Statute and the City Ordinance on that, there's a requirement that the Land Use Assumptions be updated every five years, and that the funds collected in an Impact Fee need to be planned to be expended within a seven-year period. We're still within that five-year window, that's the reason we wanted to go forward and utilize the Land Use Assumptions from the Public Safety for the Parks update. With that, I'll answer

any questions that you may have on the Land Use Assumptions and going forward. When I spoke with Sonya she said in future meetings that she'll refine the schedule and the topics that she'd cover; and she apologized for not being here.

Chair Johnson: We had approved these Land Use Assumptions previously when we did Fire and Police, right?

Weir: Correct.

Chair Johnson: This Board, I just wanted to remind us.

Weir: Yes. A year ago, when you made your recommendations to City Council, and then at their first meeting in December they actually approved those to go forward with establishing a fee.

Chair Johnson: So you new members are locked in.

Vice-Chair Beerman: It's been a year already?

Chair Johnson: Yes, it's been a year already. Time goes fast when you're having so much fun, Bill. Any questions of witness? Okay.

Vice-Chair Beerman: Very nice presentation.

Chair Johnson: Very nice.

Weir: Thank you.

Chair Johnson: I think it sums up what we're doing here, which is always good to remember. Keep telling us. Also, the numbers are interesting, even if anecdotal. What we also want, and you know what I always like, is I always like to keep bench points of how we're doing. If someone said, "This is what we're going to do," it's nice to hear that we're close to the number at least.

Weir: I find that pretty interesting also.

Chair Johnson: And if we're not, we'd like to know the reason and the impact of what that's going to do to us in terms of our revenue. Item B was the 2017 timeline, that's being delayed then, is that my presumption, Mr. Weir?

Weir: Yes. I believe that Sonya would like to talk about it at one of your future meetings and what she had told me is that they're working on the Master Plan Update and as they report on the progress of that, they'll update the timeline for you to keep working on.

Chair Johnson: I've also noticed, and maybe other folks can weigh in, that we've organized this in such a fashion that every step we do is done by Police and Fire, and Parks and Recreational, and the next group also. We may want to look at are we taking too much time? Are there some of these events that take 20 minutes, maybe in the future we could take a couple of 20-minute items and get through it faster for you and for us? We review the laws, but most of the time many of us have heard that, so just as a group we may want to look at how we may be able to consolidate. It worked very well for Police and Fire, but it might have taken a little bit more time than they or us had patience for. I'm not trying to get out of hearing from you, I would never witness that. So our next event would be, just for the members, every quarter we hear from one of our groups and today the group we're hearing from in terms of projects is Carl Clark. He's going to update us on our current Utilities projects, am I correct?

Clark: That is correct.

Chair Johnson: Thank you, sir. Glad to be right once.

Clark: For the newest member, my name is Carl Clark. I'm with Las Cruces Utilities, I am the Regulatory and Technical Section Administrator with Utilities, so all those projects go through my section, from design to construction.

Basically, this presentation here is our total CIP (Capital Improvement Plan) projects that we have out there right now. Some of them do include Impact Fees, the majority of them don't, it's just our way of what the nature is on this.

Chair Johnson: We've asked for that, for the new members, we've asked for other things other than Impact Fees.

Clark: That way you can see what Utilities is up to and what we're doing in regards to the projects. It keeps you all informed.

The first project that I have on here is the Talavera 8-inch Steel High Pressure Gas Pipeline Extension. This is kind of a two-part project. I know I'm listing the high-pressure gas pipeline extension, but then I also list the low-pressure side in one of my gray boxes up in here, the 2-inch and 4-inch low pressure up in here. The first portion of this project is the high-pressure side, which we're using the Gas Development Funds to pay for this high-pressure gas line. There are approximately two miles of this high-pressure gas line that we're going to extend up to the Talavera area in order to start supplying them with natural gas. It is an area that's within our service territory. The second portion, what I call is going to be the next phase of that project, is going to be the installation of the two-inch and four-inch of low pressure gas line. There's approximately 35 miles of that pipeline that we'll have to install up in that Talavera area. We estimated a cost at approximately \$2.4 million for that

portion of that project. Right now, the high-pressure gas line is in design phase with one of the local consulting firms that we have.

Vice-Chair Beerman: Can I ask a question?

Chair Johnson: Yes, you may, sir.

Vice-Chair Beerman: That's the high-pressure line, it starts at the top of the screen and goes to the bottom. Is that past Talavera?

Clark: That is correct.

Vice-Chair Beerman: What's the ultimate...?

Clark: Actually, the high-pressure gas line is going to start at Sonoma Ranch, and originally we estimated it stopping around just before Organ Mesa, I think is what they call that area. That first subdivision, I can point at it right in here, this portion right in here. It looks like with our consultants on board right now, they're figuring that we're going to actually move the reg station over here to Soledad Canyon. This allows for less pressure drop in our system on the low-pressure side, so we see a high demand, we don't want to drop too far down on pressure so we can keep the pressure up for these residents in this area up in here, so that's going to change just a little bit. Yes, it originally was going to stop here, it started at Sonoma Ranch, followed Dripping Springs all the way up to this first subdivision, but now it's going to go up to Soledad Canyon.

Vice-Chair Beerman: What about that green line?

Clark: The green line, actually we had a high-pressure gas Master Plan that was done by our consultant, and this is a future gas line or what we think is going to be an alignment for a future gas line, around a 12-inch is what it's going to be right up in here. Probably, maybe 20 years down the road, we'll start seeing that need for that high-pressure gas line up in that area on the east side. That line will run all the way to Highway 70 and encompass the remainder of the East Mesa in there. That's the purpose of the green line.

Chair Johnson: Carl, what's in there now?

Clark: Apparently, everybody out there in Talavera is on propane or electric.

Chair Johnson: On propane or electric.

Clark: Yes. We've had many calls requesting natural gas out there because of the high cost of propane, so we're trying to make true to the residents out there because it is our service territory.

- Chair Johnson: And these are fees paid by the general public that are going to support this limited area?
- Clark: Yes. They'll be paying a portion of that on the low-pressure side. The high-pressure gas lines are extensions that we normally do.
- Chair Johnson: Right. I was wondering about the 2-inch and 4-inch, theirs is shared?
- Clark: Yes, the 2-inch and 4-inch. Currently, we have an allowance that we give to residents depending on the cost of the extension. Talavera, they have an allowance of up to \$1,400 on our gas line extension policy. Beyond that, they have to foot the bill for the remainder of that, so until we finally get the final numbers in, then we'll know exactly what the residents are going to have to pay out there.
- Chair Johnson: Do they vote on this, is there an opt-in, opt-out if you wanted to stay on your propane?
- Clark: Actually, they have a timeline requirement if they're going to get that \$1,400. We want them to hook up fairly quickly, so we're giving them around 90 days to jump on board with us.
- Chair Johnson: They can stay on their propane if they wanted to?
- Clark: Yes, if they have a few months remaining. They can sign up, they can do that, and we'll just delay tying them in.
- Chair Johnson: Okay. It's just a tie-in, good.
- Clark: Yes. Usually, 90 days, a propane tank, yes, that's probably what it will go for.
- Chair Johnson: You don't put this in the roadway, though, do you, Carl? You'll be on the shoulder?
- Clark: We're planning to put the majority of these on the shoulders. We don't want to be cutting the pavement. We have plenty of shoulder, and then some of them are dirt roads out there so we won't have any pavement replacement. Our biggest issues are trying to get the arroyos under control, because there's no real flood control over there.
- Chair Johnson: That's right.
- Nachison: A quick question. How many homes are we talking about in this area?
- Clark: We had assessed about 960 parcels. Some parcels have homes, some do not, but that's plenty of parcels that are out there.

- Chair Johnson: The developer has no responsibility of paying the \$1,400?
- Clark: No. There are some future developments that are coming in on the north side of Dripping Springs, and they're ready to jump on board. They'll install all the low-pressure gas line for their projects.
- Chair Johnson: I think that's the future. It should be.
- Suttmiller: My question is with the parcels with no home on them. When they come for a hookup, are they charged a fee?
- Clark: Yes, they will be charged a fee. We just discussed this the other day with Joe Provencio, he's with our Administrative Services. There's a clause in there that if there's nobody there, they may be allowed to get that \$1,400 allowance. He's looking into that further as to what's fair and what's not fair.
- Suttmiller: What about an Impact Fee?
- Clark: An Impact Fee?
- Suttmiller: For the hookup. Isn't there to hook up?
- Clark: There's no Impact Fee for that.
- Suttmiller: Oh, okay.
- Clark: Those are only on the Wastewater side. Gas Development doesn't have that Impact Fee.
- Suttmiller: Okay.
- Vice-Chair Beerman: So, installing the line includes the meter and everything?
- Clark: Yes, sir. The service line and the meter.
- Vice-Chair Beerman: In some cases, do you charge for a meter for new home developments?
- Clark: We do charge for the up-front costs to install. I don't know what the exact dollar amount is.
- Suttmiller: It would depend on how far they are from the road, right?
- Clark: Yes.
- Suttmiller: It's got to be like foot length and some of these houses are way out there.

- Clark: That's exactly right. We're still hashing that through on the low-pressure side as to exactly where we're going to put the meter because you're right, it could be at the very far corner of that property that's a five-acre parcel or something, so that becomes an issue for us. We prefer to have it off the road, and we'll just protect it with bollards or probably in that area, maybe boulders would look better and still protect the meter.
- Chair Johnson: We're ready to move on?
- Suttmiller: Oh, yes. This is more curiosity.
- Clark: That's great. I'm glad to answer those questions.
- Chair Johnson: Let's hedge our curiosity here for a moment, but some of it is important.
- Clark: The next one is the Sierra Norte High-Pressure Gas Pipeline. This is exactly what it sounds like, part of the Sierra Norte subdivision area, Metro Verde area, up in there. The City is paying for that high-pressure gas line as we go along and the developer is paying for all the low-pressure side. The developer's engineers are currently designing that line. The estimated cost on this in-house was \$1.8 million and, like I said, it's under design right now. It should all be installed with the construction of the roadway when the developer moves forward with the construction of that. If you want to know where that one goes, this one actually runs from Therman Road to Arroyo Road is where that gas line runs.
- Chair Johnson: I have no idea where that's at.
- Clark: No? There's Highway 70 and I believe that's Sonoma Ranch after that. It's a huge extension of that Sonoma Ranch.
- The next project is Calle Jitas High-Pressure Gas Line. That's another high-pressure gas line extension. That area is getting developed out, there are quite a few residents in that area. This is a 6-inch high-pressure gas line extension; the estimated cost is \$261,000. Right now, we're still dealing with right-of-way issues on that, dealing with the current owner of the property on the north side of that Calle Jitas. That's where we want to install it, so we don't have to tear into the new asphalt out in that location.
- Chair Johnson: You don't have an easement or anything?
- Clark: We do not have an easement. Until they go and develop that, then they go ahead and plat that over to us, but right now they're still the owners of the property so we're negotiating with them to get access to that.

Chair Johnson: So, this is a link you're trying to make more of.

Clark: Exactly. Here's our high-pressure gas line here, we want to kind of tie it up in here. There is some high-pressure gas line that's already installed with that subdivision that we just recently built. I don't remember the name of it.

Weir: Sonoma Ranch East seven?

Clark: Seven, I think it's seven or eight, yes.

Chair Johnson: All right.

Clark: The next project that I have is the Zone One Interconnect. This is a waterline project, a proposed 24-inch water transmission line. This project will allow us to tie the North Zone One to the South Zone One. This is a phased project. The original estimated cost of the entire project is about \$4.6 million, so we had to break it into phases. We're doing the first phase, which is this lower portion over here in the south. The estimated cost on that was \$1.5 million. That one's actually under construction right now. They have already cut the roadway in right around the Jornada Water Tank that just recently got the mural, and it will tie into what will be the future Mesa Grande roadway. That one actually, like I said, is in construction right now. We're moving forward and fast on that one. We hope to see it completed in March.

Chair Johnson: Source of funds, Carl?

Clark: Source of funds on this? Water Development Funds were used on this one here.

The next project is the Mesa Development Water System Rehabilitation. As you all know, we recently acquired Mesa Development Water System, so we're going in there and rehabbing that system. We have some old bond monies we're utilizing for that. Phase 1 is estimated at about \$1.1 million to replace a lot of the existing lines that are out there that are undersized. We need some adequate fire blow and new lines that are needed in that area that are undersized, too old, or just doesn't meet our current standards.

The second phase, we have a budget of about \$775,000 for the second phase, which is more extension of the water lines out in that location.

Chair Johnson: When you took this over, was this anticipated?

Clark: Yes. Dr. Garcia had anticipated that we were going to go in there and rehab a bunch of lines. We actually just got finished with replacing those existing meters out there. There were about 340 meters that we just recently replaced because the other meters were old, inaccurate, some weren't working, some

you couldn't even find. We went in there and swapped out all the meters, and did all that within 30 days.

Chair Johnson: All right.

Clark: We wanted to have a clean slate and start accounting for all this water consumption correctly.

The next one is the Water Supply Wells 29, 31 and 32 Replacement and Griggs Walnut Monitoring Well Construction Project. This one is State grant funds that we utilized for this project, we did supplement a small amount of money on that. The monitoring wells for the Griggs Walnut project, we installed two just to the northeast of the Griggs Walnut site. That has been completed. That was the first construction project utilizing this grant money; then, we moved on to the wells 29, 32 and then 31; 29 and 32 have been completed, so we're working on 31. They're just doing test pumping right now and, once the test pumping is complete, we're going to seal it up and then the project is closed out. We will have successfully utilized all those State grant funds before they decide to do something else with it.

Here's another photo of the well drilling project, we're pretty proud of that. This is over at Well 29 with the drill rig on-site. I don't know if you all got to see it when it was here on Valley Drive, it's one of the biggest structures out there. That's the actual drill rig up in here with the cutting bins right up in here next to that backhoe, and then this truck over here is doing the geophysical logging that was necessary after the well was drilled. That way, we can learn where the water was, and what the strata looks like. As I said, we're down to Well 31. All the other wells are completed and we'll be done with this one probably here in the next few weeks.

The next project I have on here is the Sandhill Wastewater Interceptor. This project is a carryover from last year. It's been tied up in right-of-way at this time. The budget for Phase One is \$1.5 million. This is the installation of a 15-inch sewer interceptor that's going to parallel an existing sewer interceptor. What's going on is that up to the east, they're utilizing all capacity of the existing line and we need to add additional capacity on to that. That's wastewater line, so that way we don't have any overflow issues. Right now, since construction has come to a very slow standstill, we don't have any real issues. It just needs to pick up again and we need to get out there and get that line out of the way. Like I said, it's pending right of way at this time.

Chair Johnson: We were on plan and design?

Clark: Sandhill Wastewater Interceptor is already designed.

Chair Johnson: Okay. I was going to the next page.

Clark: Okay. Plan, Design and Construct Sewer Systems Top-Priority Project. This is probably the most recent funds that we've received from the State for another septic replacement project. It's top priority because we do have our existing City Well #33 at the top of the screen there, you can see the well. We have situations where some of these areas don't have any sewer, so they're on septic tanks within a mile of our well, and so we're concerned about that. That's why it's a top priority. We received funding to take the sewer line from Fred Way to the outfall channel. We just recently were notified that that was not one of the funds that was going to be chopped away, so we got that money and we're going to keep moving forward with the design and get it constructed here, probably I'd say in the next two to three months, we'll get it out to bid and under construction, which is a good thing for us.

Vice-Chair Beerman: How old is this development, when it was put in?

Clark: Alameda Estates has been there for a long time. I want to say for 40-plus years it's been there. This is an area that really needs this additional sewer line. I know Public Works has some projects that they're going to be moving forward on Richard and Jody Drive over here, and that's going to install a large sewer line up in here to collect from these residents that are existing and dump into that sewer interceptor. We'll be collecting a lot of wastewater; this single project is going to help us out tremendously.

I have another Plan, Design and Construct Sewer System High-Priority Project. It's a little bit different than a top priority project, because there's not a water well within a mile radius of these sites, but they are dense areas with septic tanks and that's why it's a high-priority area for us. We received \$2.25 million from the State Legislature for these projects. We've completed two of the areas already, we're working on the final area. Hacienda Homestead Acres, we did some sewer line installation in that location, that's complete. Lantana Estates, that one finalized that area and we put the sewer lines in place and a lot of them have signed up already for the sewer lines. They were happy to get that. We're finalizing Salopek Sunrise Phase Two. They've already completed the Salopek area, the contractor has, and he's moved over to the Sunrise area. Hopefully in the next three to four months we'll be done with all the State Legislative Funds that we received, the \$2.25 million. I think that's what helped us out on us keeping the funds that we had assigned to us this last legislative session.

Chair Johnson: What did you mean, Carl, that some people signed up and some people didn't?

Clark: It's not mandatory for them to sign up if they're on septic tanks. They don't have to at this time; however, if their septic tank fails, NMED (New Mexico Environmental Department) will not give them another permit. NMED calls us,

asks us about it, and we tell them, "Yes, we have a sewer line," and they get a notice that they have to connect.

Chair Johnson: They pay for the connection?

Clark: Oh, yes. They'll pay the Impact Fee.

Chair Johnson: They'll pay the Impact Fee.

Clark: They'll pay the Impact Fee. This grant money will pay for the sewer line construction.

Chair Johnson: Okay.

Clark: We do see some of that come back.

Chair Johnson: Do the people who sign up now pay an impact fee?

Clark: Yes.

Chair Johnson: That's what I thought. So, you can delay and pay an impact fee, or do it now and pay an impact fee.

Clark: That is correct.

Chair Johnson: There's nothing negative to delaying, then.

Clark: That's correct, there's nothing negative in delaying. As long as the septic tank is working, you can keep using it.

The next project is the Jacob Hands Wastewater Treatment Co-Generation Project. This project is approximately \$3 million. We're utilizing Wastewater Rehab Funds. This is a two-part project; the first part was bidding for the equipment. That got completed. We've selected G.E. Jenbacher who is going to provide us the equipment, with Unison providing the gas purification system. Now we're in the submittal phase and final design phase, with the manufacturers on board and the consultant working together to put the final design and to get it installed. This project, like I said, is on the second phase, which is collaborating with the manufacturer to get this thing completed and installed.

The next project is a project that we just recently awarded to a contractor, the East Mesa Water Reclamation Facility Solar Photovoltaic Project. This is a 300kW solar photovoltaic farm. Basically, it's power for that treatment plant facility, kind of a zero balance at the end of the year. We haven't made any money, but we haven't lost any money for electric consumption. It's designed

for approximately 800,000 gallons per day of water passing through that plant. The estimated cost on this was \$2.1 million, for which we utilized wastewater development and 2015 bonds to get that money to put this together. One of the local contractors got a hold of that and they're going to be constructing this. We'll be having the pre-construction meeting probably in November, since we're already getting late in October.

Chair Johnson: What are we building here?

Clark: It's a 300kW solar photovoltaic farm. You can see up here to the east of the tank is where we're going to lay out the panels.

Chair Johnson: Okay.

Clark: Right up in here, there are approximately 50 panels that are going to be installed out there that will provide the power necessary to run the plant.

Suttmiller: When is it proposed to be done? It's contracted out, when it is supposed to be done?

Clark: This one here, actually, if it meets all the timeline and we can get the panels in, the estimated timeline is March. Hopefully we won't have any delays in the panels. If we don't, we should meet that timeline.

Vice-Chair Beerman: Who is the contractor on that?

Clark: Lynco Electric is the prime, and I think Positive Energy is the solar contractor.

Vice-Chair Beerman: Just for the photovoltaic, \$2.1 million?

Clark: \$2.1 million. Actually, that's our budgeted amount. It actually came in at \$1.6 million, so that was a pretty good savings. It's just the cost of panels has come down.

Vice-Chair Beerman: I'm sure there's a big reason, but I have 24 panels on my house and it was \$20,000, and this is 50 panels for \$2.1 million. I'm sure there's an explanation for that.

Clark: Well, they're not comparable in size panels. These are commercial grade panels. I'm not sure exactly how much for each panel, we haven't got to that portion yet. The contractor has to submit these panels to us for approval.

Chair Johnson: You got your panels cheaper than I got mine. When will this break even, the energy savings will come back as a cost savings to you over time?

- Clark: They had estimated this out to 25 years, the consultant did. It was right around the 25-year mark. I'm not exactly sure on that, it's back in the preliminary engineering report. I'd have to go back and study to tell you that, but I do have that available if you want it.
- Chair Johnson: It seems like a kind of high risk level, don't you think, Carl? For 25 years?
- Clark: Yes, it is. In my opinion, it is, yes. The Council wants to move forward with more green initiatives, I think Eric is quite aware of this, and offsetting some of the power consumption that's going on in the City. This is one of the items that Utilities brought forth to them.
- Vice-Chair Beerman: Does this have batteries also, or standalone?
- Clark: This will not have batteries; it just ties directly into the existing electrical system within the plant. This also ties to the grid, so when we make excessive power, we get the rate credits back and the power goes back to the grid, and then we utilize what we can during the day so that's why it ends up being kind of a zero balance annually. If you look at it daily, you're only taking so much power in the daytime, and then you're taking power from the grid in the evening, but you're also giving them back power during the daylight hours.
- Chair Johnson: I know it's apples and oranges, but I know mine's paid off in like six years.
- Clark: Yours is paid off in six?
- Chair Johnson: Yes.
- Clark: You must be a huge power consumer.
- Vice-Chair Beerman: Mine is ten.
- Chair Johnson: Yours is ten. I'm on a five-year schedule now, I'm beating the system.
- Clark: I hear different stories from different people and residents. I had talked to one gentleman, and he feels good about the \$500 check he gets once a year, and he says he's doing OK for himself. After 20 years, his panels are no good, and he knows it's not going to be any good and that he spent more than that money that he's making back.
- Vice-Chair Beerman: But, if you get a 10% payback and you wipe out your electric bill, it's better than 0% in the bank.
- Clark: Correct. The other thing, too, is he's not home most of the time. He's in another country, anyway.

- Chair Johnson: I have no electric bill, and I get money every month. Just like he says, it depends on usage.
- Clark: It depends on usage, yes.
- Chair Johnson: I don't let my wife turn on the air conditioner. What's a stinking air conditioner?
- Weir: There's no lakeshore breezes here.
- Chair Johnson: I was just back to the old country.
- Clark: The next project I have is the new Water/Wastewater Quality Lab that we're going to be building. We're replacing an aged Water Quality Lab that we had, you can see that in the upper right photo here, made of the old pre-cast concrete walls. The total cost for that project is approximately \$3.19 million. It's split between the Wastewater Development Funds and the Water Development Funds; \$2.1 million coming from Wastewater and \$999,000 from Water. It's a 70-30 split that we usually see in that area. This project is currently under design. We're working with all the different sections or departments in the City for review of this facility. Eric Martin is helping us with this and reviewing our plans. It's coming along quickly. We're at 60%, we just got done with the 60% review, hoping to move on to the 90% by the end of next month and then into construction at the first of next year. That's our goal.
- Chair Johnson: Did you say where this is going to be located?
- Clark: This is going to be located off the Jacob Hands Wastewater Treatment Facility, just to the northwest of the existing building. We have a large empty lot in there that we're going to be placing the new lab in that location, parking lot, it covers everything. The landscaping, drainage ponds, everything.
- Chair Johnson: I would just interject, Carl, you were great to show some of us around your facilities, but given we have new members, you may want to and maybe wait until we get our fifth member, you may want to do a tour again.
- Clark: That's a good point. We'll take that down and we'll let Dr. Garcia know that when we do get that fifth member, let's consider putting together another tour.
- Chair Johnson: I found it great, and I think Gene did.
- Clark: Yes, it's good to go see the treatment facilities, and then some of the wells that we have out there, some of the tanks that we have. It's always good to go see that. We do have three treatment facilities in case you all needed to know that. It's three at the East Mesa, Jacob Hands, and the West Mesa Treatment Facilities.

Chair Johnson: Yes, we just went to the one.

Clark: You just went to the one?

Chair Johnson: Yes.

Clark: I'm not sure which one they took you to, but Jacob Hands is the biggest.

Chair Johnson: That's one of them.

Clark: It has the most going on. We like that one. I like to take people to that one because there's a lot to show.

Another project we have is the Jacob Hands Wastewater Treatment Facility Primary Clarifier Rehab. That's the west primary clarifier that we're rehabbing. That one is another project that we just recently awarded. Morrow Construction is the prime contractor, he got the project. We had a project budget of \$1.2 million in there for this project. It consists of basically the rehab of the basin. We're going to be removing the liner that's in the basin, replacing that, and then removing and replacing all the wetted components that the primary clarifier would need, stainless steel components.

Chair Johnson: When this is down, what do you use?

Clark: There are two primary clarifiers up there. Right now, we have one in use because we have another piece that we recently added about five or six years ago, aeration basin. It can balance it out and feed the waste to the clarifier in a more practical manner, but once we get this other one up we'll probably start looking at rehabbing the second one and then that will take care of those for the next 25-30 years. That project's going to be a fun one, that's one of my favorite projects that I like to do is those kinds of rehabs on these structures.

The next project we listed in there is the Public Works 2015 State Legislative and Hold Harmless Gross Receipts Tax Street Rehab Projects. Basically, what happens is Public Works identifies streets that need to be rehabbed, Utilities looks at the utilities underground in that location, and see if we need to replace them so that way we don't have to mess with the asphalt pavement again. If we look at the age of the utility and what kind of problems we have, and then slate to remove and replace those utilities and get kind of a free pass on the base parts and the asphalt. It's cost savings for us.

Chair Johnson: Right. That's the way to do it.

Clark: Yes. We have \$1.75 million in bonds that are being used to do that, \$4.12 million in Water 2015/A and 2015 Bonds, and \$3.36 million in Wastewater

2015/A and 2015 Bonds to pay for these rehabs in different locations in the City. Some of the different locations are Boston, Farney, Calle del Sol, Pinon Avenue, so Public Works is getting after quite a bit of streets out there.

The next project is an NMDOT Valley Drive Project Phase II Street Utility Rehabilitation. Once again, this is another situation where the NMDOT (New Mexico Department of Transportation) is coming in, removing and replacing the existing asphalt, so we're taking advantage of that and going in and rehabbing our utilities. Secondly, because they probably won't let us back in there unless it's a dire emergency to do this, so we jump on board. Dr. Garcia went after some of the bonds, 2015/A Bonds is what we call it, \$582,000 in Gas, \$1.1 million in Water, and \$534,000 in Wastewater. Right now, it's in the design phase. We're using the same consultant that the DOT is, it makes the surveying and everything match together much better. That one, like I said, is in design phase. I listed the lineal feet of utilities that we're replacing, 12,000 lineal feet of gas line. That's quite a bit of gas line in Valley Drive from Picacho to Avenida de Mesilla.

Chair Johnson: That's a lot.

Clark: Yes. 4,500 lineal feet of sewer lines and services, and 9,000 feet of water lines and services that we'll be removing and replacing out there. Actually, just probably abandoning in place and installing new Poly Vinyl Chloride lines and polylines.

Chair Johnson: That's going from Picacho to where?

Clark: It's going from Picacho Avenue, and I think they may go back into the intersection again, from what I heard, and carrying it all the way to Avenida de Mesilla where they left off near Hickory Loop, off Avenida de Mesilla where Applebee's is and McDonald's.

Chair Johnson: I know, I live there.

Clark: Yes. They'll be going back in there and taking out, if you remember, maybe a year or two ago, they just finished the Avenida de Mesilla project. We ran the utilities there and we're ready to pick up the new utilities and carry it through to Avenida de Mesilla and head to Picacho with all the utilities.

That's all the projects that I have listed today. If you all have any other questions, I can answer them.

Vice-Chair Beerman: I have a question. How many of these projects would have been run through the Capital Improvement Program? All of them, or just...?

Clark: All of them, yes, sir.

Vice-Chair Beerman: They all got figured into the Impact Fee formula, then?

Clark: A few of them get figured into the Impact Fee formula. Not all of them have Impact Fees tied to it. We do have rehab, water and wastewater rehab fees.

Vice-Chair Beerman: They are considered, if appropriate?

Clark: Yes. We look at that really closely and Impact Fees are only used when it's development, only when we can identify where it is development, then we use the Development Impact Fees.

That's all I have, so thank you very much.

Chair Johnson: Thank you.

Nachison: Appreciate it.

Chair Johnson: Any comments on the presentation?

Nachison: I learned a lot. Thank you.

Clark: You're welcome.

Chair Johnson: That is the purpose.

Clark: Yes.

Chair Johnson: That other purpose we have, and we thank the departments for this, is they actually have laid out a schedule of how we're going to proceed, so we know what is coming at us in the future. All I was suggesting that some of these things might be tightened up a bit, but our November meeting is, again, the old business will be Parks and Recreation's Impact Fee with a history and review, and then we will get Public Safety Current Projects. Again, the whole idea here is that you get to see, on a quarterly basis, these projects. Then, in December, we generally don't have much going on, but we will look at that. Right now, you'll see there is no old business or new business. At the November meeting we'll take on the issue of if we're going to have a meeting in December, but there's no reason to presume at this time that we're not because something may come up that mandates we have such a meeting.

5. Next Meeting Date:

Chair Johnson: We will meet in November; I'm hoping everybody can be there on the 17th at 1:30. Please indicate to Alma if you can't be here. I know I am. Bill, you're here, right?

Vice-Chair Beerman: Yes. I had some jury duty issues.

Chair Johnson: I saw that.

Vice-Chair Beerman: I found out something, but then that was reversed. They told me at one point that if you're serving on a Board appointed by an elected official, you don't have to serve on a jury, but then they got back to me and said, "Well, you have to be a full-time paid member of a Board. Jury duty is not something you can get out of based on being on a Board."

Chair Johnson: Yes.

Vice-Chair Beerman: The federal, I got summoned for both federal and state.

Chair Johnson: You got both. I did, too.

Vice-Chair Beerman: I was able to get out of the State because of the Federal. The Federal system seems to be very well-managed and they're willing to let you out of and schedule you around a meeting like this one if you get a summons.

Chair Johnson: If you get called, yes. That's what they did for me. I just didn't get called two or three times, but they will let you out to participate. All you have to do is ask. Any other comments? I'm going to look forward to all of your smiling faces out there. Who's making our presentation from Fire and Police?

Weir: Eric.

Chair Johnson: Good.

6. Public Participation:

Chair Johnson: With that said, is there anybody from the public here? It doesn't look like it.

7. Committee General Discussion:

Ruiz: May I interject for a quick moment?

Chair Johnson: Yes.

Ruiz: We wanted to give the Commission an update in regard to the advertising for our vacant position. We are currently running the advertisement in the Sun-News and the Bulletin. The Bulletin is a weekly advertisement, so they run on Fridays. The Sun-News, we have advertisements on Sunday, Tuesday and Thursday, so if you look at those you'll be able to see our ad. We've also taken the initiative to reach out to the Las Cruces Homebuilders' Association Office, we've emailed them or dropped off advertisements with them as well as the Las Cruces Association of Realtors. We've also reached out to independent realtors and we did 11 realtor offices. Some of them sounded

really interested so we're hoping to, in this broad sense of advertising, to be able to fill the vacant position soon which has a requirement for having a real estate background or financial lending to builders or developers and such, so the open position is a specific industry position. That's all I have for you.

Chair Johnson: That is in the ad?

Ruiz: Yes, sir, it is.

Chair Johnson: That I have seen. Any further comments from the board?

8. Adjournment.

Chair Johnson: We are adjourned.

Ruiz: Can we get a motion?

Chair Johnson: Can we have a motion?

Suttmiller: So motioned.

Nachison: Second.

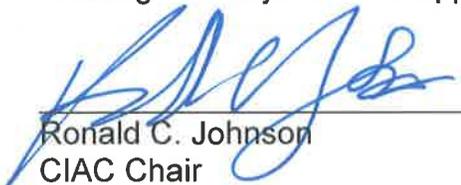
Chair Johnson: All in favor? Aye.

Suttmiller: Aye.

Vice-Chair Beerman: Aye.

Nachison: Aye.

Meeting was adjourned at approximately 2:22 p.m.



Ronald C. Johnson Date 11/17/16
CIAC Chair