

## Las Cruces Utilities Board of Commissioners

Minutes for the Meeting on  
Thursday, September 8, 2016  
Immediately following the Work Session  
Utilities Center  
Conference Room 225

### Board Members Present:

Gill Sorg, Chair  
William Little, Vice-Chair  
Steven Baumgarn, Commissioner  
Jim Carmichael, Commissioner  
Jim Ericson, Commissioner  
Harry Johnson, Commissioner

### Board Members Absent:

Olga Pedroza, Commissioner

### Ex-Officio Members Present:

David Dollohan, Interim City Manager  
Jorge Garcia, Utilities Director

### Others:

Kurt Anderson, Doña Ana Mutual  
Domestic Water Consumers Association  
Suzanne Michaels, Public Outreach  
Consultant

### City Staff Present:

Susan Cerny, Business Systems Analyst  
Carl Clark, RES/TS Administrator  
Carol Conners-Lyons, Billing & Receivables Supervisor  
Marcy Driggers, Senior Assistant City Attorney  
Paul Edwards, Business Systems Analyst  
Lucio Garcia, Distribution & Construction Administrator  
Klaus Kemmer, Solid Waste Administrator  
Fernando Ortiz, Engineering Technician  
Viola Perea, Utilities Internal Auditor  
Jose Provencio, Business Services Administrator  
Mario Puentes, Gas Business Analyst  
Estela Saucedo, Customer Service Supervisor  
Alma Ruiz, Office Manager Senior  
Dania Soto, Office Assistant Senior  
Adrienne Widmer, Water Resources Administrator

Chair Sorg called the regular meeting to order at approximately 3:17 p.m.

### 1. CONFLICT OF INTEREST

Chair Sorg: First item on the Agenda is the Conflict of Interest. Is there anyone on the Commission or Staff that has a known conflict of interest in any item on the Agenda?

*There were none.*

### 2. ACCEPTANCE OF AGENDA

Chair Sorg: Next is Acceptance of the Agenda.

Johnson: So moved.

Little: Second.

Chair Sorg: Moved by Commissioner Johnson, Seconded by Commissioner Little. We'll take a vote.



Roll call: Commissioner Carmichael - Aye; Commissioner Pedroza - Absent; Commissioner Little - Aye; Commissioner Baumgarn - Aye; Commissioner Johnson - Aye; Commissioner Ericson - Aye; and Chair Sorg - Aye.

***The Agenda was Unanimously Approved 6-0.***

**3. ACCEPTANCE OF MINUTES**

- a. Regular Meeting of August 11, 2016.

***Minutes approved on consent.***

**4. PUBLIC PARTICIPATION**

Chair Sorg: Is there any member of the public that wishes to make comments to the Commission? Seeing none, we'll go on to the Administrative Report.

**5. ADMINISTRATIVE REPORT**

Dr. Garcia: We're going to start with Mr. Provencio, Mr. Chairman.

Provencio: Good afternoon, Chairman, Commissioners. I'll give you an update on the activity ongoing in Customer Service and Billing and Collections areas. First point back in April, I provided some information in terms of the number in sewer connections that has actually ended up connecting to the system with the Septic Tank Remediation Projects, we have ongoing throughout the system. This is list of the four main projects that are ongoing. The overall review of this from the point that we looked at this back in April, four months ago, there's been very little activity in other word just incremental connections to those completed projects. People just trickling in, the initial rush of new connections has gone by, we're just looking at connections as they need. As requested by those customers in those areas.

The next topic I want to update you on is the activity ongoing with the perspective rental property in rental property administration. Before I start, I just want to give you a historical review of the process that the Utilities Department started when the Customer Service subsection was reorganized under the Utilities Department. When started back in 2012, the initial work that was focused on was in return the low laying fruit. That is individual customers that had amassed of a certain amount of unpaid utility bills. This process was pretty much integrated with customer service applications when customers came in the Customer Service Representatives would look through and make sure under that name, under that account number any previous services they had with the City, if they had any outstanding bills. The rules and regulations that we had and established that service could not be activated until those past months were collected and settled.

We also instituted other formalized, very definitive, process for Billing and Collections. The process of bill due dates, notification of past due amounts, and potential shut offs. That process had begun in January 2012, when we took over the Customer Service activities in City Hall. Over the past couple of years, it's been about three-four years,



that the process has evolved. We've gone through that initial settlement of collection and notification of existing unpaid bills. The next evolutionary step that we approached was rental properties. The collection of the information resulted in first identifying what services are associated or affiliated with rental properties, because that's not a readily available piece of information on the system.

What has transpired now is that, about a year ago, we started a process of notifying rental property owners of accumulated balances of tenant activity exceeded \$500.00. Part of the learning process that we started getting more of this advanced information out to the property owners so that they're aware of what's going on. Collections has, as well as myself, have answered a lot of questions in terms of the law, the city code, and the process that we have in the department to enable this process that makes it consistently, highly uniform as we administer these unpaid balances.

With that historical perspective in mind, we will continue to look at the unpaid utility bills, as before, and what we've instituted now going forward is that we've delineated that separation in terms of how far do we go back. We will go look at balances accumulated after January 2012, based on the processes and the discussion I just mentioned to you. Going forward and continuing the process to collect these unpaid balances. The starting point is January 2012. We are also looking at the feasibility of defining a shorter billing due date and process for commercial and industrial activity. That will include rental properties because when you start getting to a commercial level, it doesn't take much time to accumulate unpaid balances.

The current bill due date and shut off process almost provides a 3-month lag before our Billing and Regulations enable shut off service. A large customer, be it gas or water could accumulate that within a process of 2- to 3-weeks. Based on large balances that within a month is hard to manage but we have to look at the capabilities and what we would have to modify if we break out that type of a process for commercial activity. It's not uncommon that because of size or aggregation of many small units adding up to a bigger number that Utilities look at commercial activity much more different than residential service to a single occupant and owner.

Endpoint here for this update is giving everybody and update the Board what the process involves, what we're going to research, and come up with a feasible system going forward.

Chair Sorg: Thank you Joe.

Ericson: I do have a question.

Chair Sorg: Commissioner Ericson.

Ericson: I just have a couple of questions, when a tenant signs up for service that's in their name, do we still get enough information that we can go after them if collections turns



them over to a collection agency? If you have 123 N. Main Street and your tenant is shut off and they leave a \$200.00 bill, are we still going after them?

Provencio: Commissioner Ericson, yes we do. We collect the minimum information that we can, government issued photo id, as well as a social security number.

Ericson: I know the collection agency's want a social security number.

Provencio: Yes.

Ericson: I just want to make sure that we're still doing that.

Provencio: That also includes the churn that we have within our customers when they get in one place and start up an application elsewhere.

Ericson: The second thing is in knowing what you're going through hearing it from the other side as well. Is there any discussion on shortening the time period for actually cutting them off and actually locking the meter? Because I know that one of our competitors but they lock the meter about a week after the bill has been late and about a month after they go out with a wrench and they pull the meter. I'm not advocating that but it would seem that maybe we ought to go back and consider shortening the time period before we send Customer Service or one of the service people out to put a pin in the meter and shut it off, water and in the summer gas.

Provencio: The quick answer to that is our standard process is defined for everybody. That's what I was trying to describe here, the research in looking at commercial and industrial accounts as well as rental activity to shorten that window. A more manageable period so that you don't have this lag before services are eventually turned off.

Ericson: How long does El Paso Electric take before they go lock your meter?

Provencio: I know they have a 21 due date time period. I'm not that sure when they actually go out there and essentially shut off service.

Ericson: I think it's a lot quicker than our time.

Provencio: I'm not sure, it's been years since I looked at what they do. What I was trying to describe earlier was that utilities still look at basic residential domestic service a little different than they would look at commercial and industrial activity. There is a shorter timeframe. When you develop these processes and they came up with a blanket policy or process - it's time to revisit the point and say how do we break up the different services with respect to how fast some of these delinquent due balances generate for some of these larger customers or activities.

Dr. Garcia: If I may.



Chair Sorg: Yes, Dr. Garcia.

Dr. Garcia: Mr. Chairman, Commissioner Ericson. That's why, even though today is not an action item but the last bullet is what we want to bring to you and probably modify the billing and service regulations. We want to bring you a couple of proposals and then you can adopt one. I think we need to address rental properties because that way we can protect the owners as well. I think owners of properties may be wanting to know that if they get caught in a delinquency, because the lien goes on the property it doesn't go with the person, that it's a shorter period of time and so is the amount. We would be protecting the property owners of rental.

The other one, we have two recent examples of large commercial property. Aldershot in one winter left us with \$120,000, went bankrupt. And you heard the example and we've had a recent meeting with Sonoma Ranch and you'll be briefed on that in the future, the Sonoma Ranch Golf Course, the County Club when they switched back they had a delinquency of \$54,000. You were briefed on that and we'll give you some more briefing in the future once we resolve that matter.

Those are two examples where the timeframe contributed to that large amount. We're rethinking that the long period of time that we are very flexible with people with fixed incomes, things like that, and we have a lot of time that we provide people to pay is working against the customer or at least against the owner in case of large commercial and industrial properties. That's why we want to present you some options to modify those two groups and maybe have a shorter period that we allow so that we can reduce those delinquency amounts.

Chair Sorg: Okay, good.

Provencio: Moving on to the next topic for discussion. I wanted to update you on the score card, so to speak, in respect to our utility bill payment assistance program Casa De Peregrinos. For Fiscal Year 2016 (FY16) we did fairly well in terms of meeting the objective, it was about 17% of the unused funds in that fund within that balance that were unutilized. Part of the thing we have to balance here, where as Customer Service and Billing and Collections may provide referrals and customers never follow up on the second half that's on their to do list to come back and go to Casa De Peregrinos to find out if they qualify to get this kind of assistance and then come back to us to close the loop. For FY16, that amounted to something over \$11,000. We will recalibrate and make sure that we're diligent and assertive in terms of getting this assistance to these customers this next FY. New objective in both the Customer Service and Billing and Collections is to help and extend the assistance to everybody as needed.

Chair Sorg: Okay, question. Can those unused funds be rolled over to the next year?

Dr. Garcia: Mr. Chairman, I think that's a question for Interim Manager Dollahon. It's a budgetary issue. Let me clarify one thing, and I'll let David go through, we haven't done it in the



past but I want to clarify these are not Utility funds. City Council a long time ago made the decision to allocate this amount of money for assistance and we don't do any means testing. We contract with Casa De Peregrinos to do the management of these funds, we provide the referral only. It's a budgetary question if we can carry over the funds and we hadn't thought about it, I know we haven't done that, it has resets to \$75,000.

Dollahon: Mr. Chairman, thank you. I would say at this point, without analysis of the historical trend on the utilization rate, we established the FY17 budget out of the general fund for probably the same amount of \$75,000. Any unspent balance in the general fund reverts back to the balance in the general fund but we budgeted for FY17 \$75,000. It appears to me that there is sufficient funding even if the unredeemed referrals were used you would be about the 75%-83% rate, it appears that there is sufficient budget. I know that's been the allocation of the General Fund every year for quite some time.

Chair Sorg: So it's never reached the full amount?

Dollahon: No, and if we were throughout the budget year, if we were tapped out of the \$75,000 we could address that issue at that time but I don't think there's a need and we appreciate any unspent balance going back to the General Fund.

Chair Sorg: Okay, continue.

Provencio: Next item, Mr. Chairman. What I'm presenting in this graph is a snapshot of a few points in time. You saw this back in April or March, where I took this analysis of what our performance is with respect to collecting, bringing in back uncollectable amounts or unpaid bills. The red line shows what that picture looks like or what the performance looks like over the FY12, 13, 14, 15-time period. We took this snapshot as of the end of July, and you'll see that the percentages based on the collections activity has dropped reflecting the amount of money that we continue day in and day out to make sure we collect unpaid amounts one way or another. Whether it be through applications to whatever measures the billing and collection agency is helping us with that process never stops and it's where the work is to bring that number down as low as possible. This is basically just to give you a snapshot that the work in collections continues and that's to push the amount that's left uncollected as low as possible.

Chair Sorg: Thank you.

Dr. Garcia: Mr. Chairman, just an editorial comment, those of you who were in the Board years ago when we had the curve up here and now in the current status. Good job from the collections group, it's not a pleasant job and it's not a popular job, right Carol? It's a great job because it's fair to share responsibility. We go and we try to help people but at the same time. They're doing a good job and it shows, it continues to decrease. Industry standard Joe, for a utility our size is about .7%



Provencio: .75% is the usual benchmark. That's the same value that we've used when we went through the last cycle of rate review for all of Utilities. We looked at that because it seemed to be about the same level they were looking at. The performance here over the last 3- or 4-years shows that we're making progress in terms of keeping that uncollectable amount as low as possible.

Chair Sorg: Thank you Joe, is there more?

Provencio: With that I'll stand by with any questions you may have.

Chair Sorg: Any questions by the Commission? Okay, let's move on to the next.

Dr. Garcia: No update from Mr. Stein on Texas v. New Mexico this time, you were briefed the last time. If there's something interesting before the next meeting, we will certainly bring it to you.

Mesa Development, we're processing the 106 acre feet. We're getting that, today I signed off on the paperwork that we will file with the State Engineer. The customers, we transferred the utility, we're operating the utility. We had two evening, one at Oñate High School and one at their office. Good job to Estela and her group, they went out there and set up an office under a tent at their office. People came in and signed up, we had about 170 signed up to date but we have more customers to go.

We installed new meters, as you recall, we're installing new meters everywhere rather than trying to adapt their meters to our database. We're putting brand new meters, the contract is ongoing for the next 30-working days and then those will be on the system. They conveyed the deeds to the wellsite's and right-of-way, the water rights deed were filled with the State Engineer, and we paid the \$425,000 check to Mesa Development.

In terms of the upgrades of the system, we will be providing you updates as we move forward as part of the projects. This is the last time you'll see this item of Mesa Development on the Administrative Report, now it becomes projects. The metering project, then improving the system, adding new pipelines, and things like that. We'll keep you up to date on this but finally its done. I think we started this process, Commissioner Ericson may remember, in 2005 Bond Issuance if you recall based on Council direction for litigation with Moongate and others and we're here in 2016 and it finally happened.

An update on the 2016 utility Bond Sale Update. Last time I briefed you, the Council was going to consider the sale on August 24<sup>th</sup>. We were lacking a super majority for that date so we rescheduled for September 15<sup>th</sup>, which is next Thursday. Treasury advised me that the bond proceeds should be available on or about October 19<sup>th</sup>, after that we do need to amend the FY17 budget to bring the funds in and we will prepare a Council Resolution scheduled for November 7<sup>th</sup>. We're anticipating that we will be finalizing or closing with Jornada the transaction sometime on or after November 15<sup>th</sup> date. That's where we are on the timeline right now assuming that nothing else gets



postponed and assuming that we have super majority next Thursday for the vote on the bonds.

We've made a lot of progress, as you well know, and the City Council knew this from the very beginning, when we met in closed session, that we had recommended that we would hire the four employees from Jornada Water Company on a contract basis and then eventually they would migrate into a regular FTE (Full-Time Employee). Our HR (Human Resources) Department did a good job in preparing the draft contracts and sitting individually with staff yesterday one-on-one explaining how it works, the City system, we have mandatory deductions, the pension system, etc., etc. They were very pleased with individual meetings with our HR group they came here and they did that so that part is done. That's a key component of this transition is trying to keep some of the knowledge base of the four. Three of them are very long-term employees of Jornada so they know the good, the bad, and the ugly of the system and when things break and when things don't work. It's going to be very good to have them as part of our team, so we did that yesterday.

We've also had tours of the system in detail including the electrician, the supervisors, and Mrs. Widmer was there. I went on the last tour, which went into detail of opening electrical cabinets and looking at what changes we'll have to make. One of the things I told you early on, we were going to retrofit the supervisory control system on day one, as soon as we can get it done. That is the automatic tank levels, well tanks for the pumps, and things like that. They have some telemetry system and some of their system doesn't have, we'll put telemetry everywhere. Part of the funding of the bonds is to have approximately estimated \$300,000 to retrofit all of the computerized system and electrical panels so that we can have the computer control that we have become used to in terms of 24/7/365 monitoring of our system.

As the system is right now you couldn't do that, so early on, we went out and we looked at to see what panels that we need to change, transducers for pressure, and things like that. That field reconnaissance has happened already and we're doing some more meter reconnaissance, right Joe? With Meter Readers? Our system requires that we enter all the digits and the type of meter and all of that so the system information on the meters that is not in their database so we're going to the field and getting that data. Staff has been excellent in doing the additional work in doing this and trying to bring up that system. I think there's a question, Mr. Chairman.

Ericson: Quick question. Approximately what date do you anticipate that Jornada customers will start receiving the City bill? January 1<sup>st</sup>?

Dr. Garcia: No, actually I'm more optimistic on that, Mr. Chairman, Commissioner Ericson. I'm thinking if we do a transaction in November, then probably the first month will jump into our billing so it will be probably December billing. We have to still coordinate the transition and it may be a gradual transition by zone depending on how we can do that with our routes. We're anticipating, we're hoping that the last official bill on their cycle will be October, then in November we'll stretch the cycle because of the transition and



then a customer will get the bill under the City bill, those that are already City customers.

Ericson: Staff did a wonderful job of Mesa Development, are you doing similar for the Jornada customers?

Dr. Garcia: Mr. Chairman, yes. There's going to be one difference and the difference is we will try to have a public meeting for information, that's going to be the same. The difference is we're not going to replace the meters. With Mesa, we're not taking their own readings, they read their final and we're going to put our own meters so that's a big difference. In terms of the agreement and the commitments that we're going to do in terms of the agreement that Marcy is going to be drafting is going to be similar to Mesa to make sure that any concerns that the PRC (Public Regulation Commission) brought up in the Mesa case are addressed. Including our ability to serve, our rates, and all of that information that was asked before we'll include, even though it was not necessary. That's going to be similar to Mesa, public outreach is going to be similar, I don't intend to go to their offices but we will try to find a public place and we will be ready to informing the public. A lot of the transition, so far Joe, is about 2/3 of the customers are already our customers.

Provencio: Yes.

Dr. Garcia: That's more of a computer thing and then they send the customers a letter that states effective on such a date they are City customers, most of which are already City customers from gas, water, and/or waste water.

Ericson: I guess I missed it, did we have to go through all the steps of the PRC and the State Engineer for Jornada like we did with Mesa?

Dr. Garcia: Mr. Chairman, Commissioner Ericson. No, and I'll let Marcy jump in, unless the PRC intervenes in the condemnation case. There's precedence that condemnation supersedes, that doesn't prevent the PRC to intervene and I'll let Marcy answer that part in a minute. In terms of any other items with Jornada water rights, there's a two-step process. One is, we have Jay Stein's office doing the due diligence, that's one thing. I don't see anything in their water rights that is similar to what Mesa had, which was an order from the State Engineer denying anything above the 106 acre feet.

The due diligence we're doing is in terms of the adjudication. All the paperwork and all of the time extensions been filed, yes or no? Because we have a dollar amount assigned to water rights, that potentially the purchase price, if Mr. Stein says, this water right, unless we get this piece of paper, this water right is no good, I don't know if he would do that; then we would adjust the purchase price. The due diligence is in a way similar and maybe more detailed than Mesa. With Mesa we had an Ordinance saying water rights are no good after January 31, 2014, over and above what was perfected. Jornada doesn't have that and there's large amount of water rights, as you know, Jornada has 5,968 acre feet, they peak at about 2,400, they're using 2,000 so



it's of prime importance to make sure that all the T's are crossed and the I's are dotted on the water rights paperwork. We can jump into their shoes and move forward with the adjudication. That is still is being done by Mr. Stein's office, that's a critical component before we'll buy the system.

Ericson: Is it just me or does it seem that by going through a condemnation is simpler than negotiating a purchase? At least it seems like that to me.

Dr. Garcia: What is that again?

Ericson: It seems like we're jumping through less hoops with Jornada by condemning them as oppose to negotiating a sale with Mesa.

Dr. Garcia: Mr. Chairman, I think the complication with Mesa, it was still a negotiated sale. The issue with Mesa was we actually have a three party agreement. In other words, you have the PRC telling them what to do and telling us what to do. You have three parties into that agreement, the final agreement with Mesa had to address concerns of the PRC Hearing Examiner.

Ericson: How did we get sucked in to the PRC process with Mesa and not get tied in with Jornada?

Dr. Garcia: Mesa went through the PRC process. Jornada requested actually that we do this other process subject to a negotiation of the terms and conditions.

Ericson: So we should've gotten Mesa to do the same thing.

Dr. Garcia: It would have been faster; it took two plus years just in process with the PRC. Not counting the prior years of different appraisals and disagreement as to the value of the water rights. Because it was hard for them to accept the fact that about 700+ acre feet of water had no value, that was a hard one.

Ericson: Thank you.

Dr. Garcia: Marcy, do you want to address the other questions from Commissioner Ericson?

Driggers: Commissioner Ericson, you're absolutely correct. With Mesa Development we went through the PRC approval process because there was a state statute that requires that the PRC approve a water company, basically going out of business or selling its assets, to protect the existing customers. What we learned with the Mesa PRC process is it took forever. They require that the City intervene in the approval process and Dr. Garcia had to provide pre-file testimony assuring the PRC that we could provide an equal or better level of service than Mesa Development was providing. After that process we were more than willing to accept the suggestion of Jornada Water Company that it wanted the City to negotiate its acquisition without going



through the PRC approval process. The Legal theory is that the state condemnation statutes to trump the PRC statutory requirement to approve a transfer.

We filed the condemnation action and the PRC could seek to intervene but we understand that it seems to have conceded that it could watch but it's not going to seek to intercede or to stop the condemnation action, which has been filed in State District Court. That's where Dr. Garcia indicated that we wanted the negotiated settlement agreement with Jornada to provide all the protections that the PRC required assurance of in the PRC process with Mesa Development. Such as the level of service, the customer conversion process to ensure that customers are smoothly transitioned to City utility service as we accomplish with the assistance of our Customer Service with the Mesa Development customers. That's a quick reason for why we're doing a condemnation in State District Court rather than going through a PRC regulatory approval process.

Chair Sorg: Okay, thank you Marcy.

Dr. Garcia: Mr. Chairman, Commissioners. One more item, it's a bullet that I was going to mention on the New Business but it pertains to this so I might as well mention here. The bonds were rated AA2. We kept our Moody's rating so that's good news, considering that I promised that we were going to have a Rate Review in the prior Moody's rating. But I told them that you all had approved already the process starting the rate review. We had changed the methodology and all of that. Alma will be sending you a little PDF file of the Moody's rating announcement where the bonds are published. That's good news because I was truly worried that by not having addressed in specifically water, that rate reviews since 2009 and having stated that we were going to do it in the process of converting the type of system we use took over and that's reality and finally it's approved.

Another set of good news, the City Council approved the creation of the UCAG (Utility Customer Advisory Group) this past Monday so that is also another component of the rate review that is coming. With that we have the next item, Mrs. Widmer.

Widmer: Good afternoon, Mr. Chairman, Commissioners. Just wanted to update you, we did have the Water Quality Open House on August the 25<sup>th</sup>, we held it between 5-7 p.m. I was very excited we had five visitors, we did have six different stages they kind of went through a bunch of things. I believe that sometimes when you have public meetings you're not sure how many and you're always grateful you get one so when we had five I was very pleased, it's okay. The five visitors; we had three from Las Cruces Utilities, one actually was Dr. Cadena and he wanted just to come by and take a look and I guess visit and say hello. Then two were actual residents that just had basic questions on water quality like, "Where does the discolored water come from?" And, "Why does my water have an order of smell now and again?" Then we had two that actually were from Jornada Water. They came so that they can get introduced to Las Cruces Utilities in the event that we actually do take them over, so that was kind of nice to have a couple come over and visit with us.



PIO (Public Information Office) was here yesterday and what they're doing is they're preparing a video that will take us through each of the different stations that we had to get some information so that people that weren't able to attend but would've been interested, we're going to have that up on the website for them to look at. Just wanted to update you on that.

Chair Sorg: Very good, thank you Adrienne.

Widmer: You're welcome, thank you.

Chair Sorg: Is there anymore Dr. Garcia?

Dr. Garcia: Projects, Carl.

Clark: Mr. Chairman, Commissioners. I'm here to give you the September 2016 Projects Update. The three projects that I selected are the Zone 1 Interconnect Phase B, Project 1, the Jornada Tank Rockwall Project, and the Trench Backfill Compaction Training that we put on recently.

The Zone 1 Interconnect Phase B, Project 1. This project kind of satisfies a couple of things. One of them, it is one of our CIP projects. We're connecting the south Zone 1 to our north Zone 1 water systems. North Zone 1 being on the north side of Highway 70. The other thing that this project helps us out with is our purchase agreement that we had with Area 51. Agreement between Las Cruces Utilities and Area 51, which is also known as Sonoma Ranch Development. In that agreement we were supposed to relocate an 18-inch water line that ran from our Jornada tank up to our south Zone 1 tank further to the east, which drapes across Sonoma Ranch Development's property. With this project we're relocating this water line into what is going to be the future Sedona Hills Parkway. That's kind of helping us with that portion of the purchase agreement.

The other project I'm going to be talking about as well as the Jornada Tank Rockwall.

Question? Yes, sir.

Chair Sorg: So this pipeline extends out past Mesa Grande Avenue?

Clark: Chairman, yes. This waterline actually starts at the Jornada Water Tank, will go up what will be the future Mesa Grande alignment.

Chair Sorg: To the north?

Clark: Directly to the east, and then once you get into Mesa Grande, then it will start heading north towards Highway 70.

Chair Sorg: Okay. Yes.



Dr. Garcia: Mr. Clark, let's clarify not at this time.

Clark: Not at this time.

Dr. Garcia: That's a future project.

Clark: This is Phase 1.

Dr. Garcia: We're just going east and relocating a pipeline and removing and preserving the pipeline that is currently within that development and we're aligning the pipeline with the road by just going east and tying into the existing, correct?

Clark: Correct, we will be tying to the east then up.

Dr. Garcia: The big piece that is north all the way to Oñate High School. That's going to be 5- or 7-years down the road, or whenever there is a road there, okay.

Clark: Correct, that total project is approximately \$4.2 million so that's why we had to phase it out. This first phase takes care of our issues with a purchase agreement with Area 51. This project is going to have approximately 2,000 lineal feet of 24-ductile iron waterline that we're going to be installing. The contractor for this is Morrow Enterprises, the contract cost of this first phase is \$750,000 approximately, with 160 working days. The start day was set at June 1<sup>st</sup>, we suspended the contract time at that time because the contractor had to gather materials plus we also had to meet our requirements for our storm water pollution prevention plan, the 14-day delay that we had to put in there and review our plan and move forward from there after we gave the notice of intent to pollute, as we say.

The contract got suspended until July 28<sup>th</sup>, that's when they actually moved forward. The estimated completion is March 30, 2017. Right now they haven't requested any payments, we haven't been in construction that long but they're about 10% complete with this roadway excavation and backfilling and grading that they're doing out there. I installed a couple of pictures here. That upper right picture is right at the intersection of Sedona Hill Parkway and I can't remember the name of that one, it always slips my mind but I believe it is Pagosa Hills.

Our tank is over here, you can see the rock wall over here and our booster station. Didn't quite catch the tank off over here to the right but kind of shot the gravel entrance of this part of the SWPP (Storm Water Pollution Prevention) plan and then you see they cut down the hill right into Sonoma Hills Parkway. The lower right picture that I included here is the actual the grading and clearing ongoing of Mesa Grande Alignment. That's all in place you can see some of the SWPP items for the storm water pollution prevention sub-fencing that's in place there as well. The excavation and backfill and grading are ongoing right now, it's such a huge effort, 34,000 feet of yard we're moving out there of dirt to establish alignment and then move forward with installation of the pipeline.



Chair Sorg: Didn't you have to have a wind erosion prevention plan too?

Clark: No, the SWPP is the only item that we needed for this project and that was actually designed into the plan set. There's a huge amount of erosion protection that's going in out there.

Chair Sorg: Okay.

Clark: The next project that I selected is the Jornada Water Tank Rockwall Project. Once again, that is part of our agreement with Area 51, we're going to build a rock wall around our tank and change out the mural on there as per the agreement so we're finalizing that portion of that. Renegade construction was the contractor that got the bid on that, the contract cost is approximately \$150,000 for a rock wall. The contract time is 80 working days with a start date of May 16<sup>th</sup>. We suspended that contract as well, contractor had to bring in a large amount of rock for this project so we allowed them time to deliver that and clear up some area there.

The contract completion date is September 30<sup>th</sup>, coming up at the end of the month. Percent complete is 85% based on observed construction, really the entire wall is complete. The only thing that's remaining is the installation of the security fencing, which is the barb wire and Konstantina wire on top of the wall along with the gates at the front of the property there. There's going to be some minor work in regard to the gutter but like I said, it's minor work and we'll get the contractor to fix that as well.

Any questions on that rock wall? It's really coming out really nice, they're doing a really good job, we're were pretty stringent on our plans and so I think the rock wall is going to be one of the nicest ones in that area that's for sure.

Little: I have a question.

Clark: Commissioner.

Little: Where does our rock come from these days?

Clark: The majority of that comes from east of El Paso. The rock quality coming out of Texas, I was part of Public Works when we were going through the whole rock wall issues. The rock quality is much better out of Texas, out of their pits, then the quarries we had over here.

Little: No fossils.

Clark: No fossils, yes. I couldn't tell if the rock was too old or too young, so it wasn't just right.

Little: Okay, thank you.

Clark: If not further questions, I'll move on to the next one.



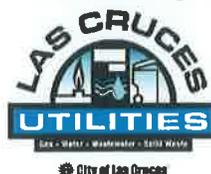
The Trench Backfill Compaction Training. We put this training session on because of the issues we've had with our trench failures. We wanted to ensure that our staff understood backfill compaction and what's required in our standards. We put this training on, Technical Support, my section, and myself. I hired AMEC Foster Wheeler Environmental. I picked them particularly because Dr. John C. Lommler, he is the expert in the State of New Mexico on backfill compaction. The DOT (Department of Transportation) hires him for just about everything. If they have any kind of lawsuit case, he comes in. He's very good at what he does in this area. His son, Lee Lommler, is certified in materials testing technician that worked for AMEC and he was there as well during the testing.

We had five training sessions, the dates were August 23<sup>rd</sup>, 25<sup>th</sup>, 29<sup>th</sup>, 31<sup>s</sup> and then the final one on September 1<sup>st</sup>. I attended all of these, I didn't stay there for the whole time, but I attended all of them to make sure everybody showed up and we were back on track in training. That's where I stepped in and I discussed our standards, we have two standards that we have to meet, the City of Las Cruces Work Roadway Standards and the Utility Standards, they both talk about densities in the roadway.

We have 78 operations crews and supervisors that attended this training; Water, Wastewater, Gas, and we also invited Streets, as well as Public Works inspectors. They had the opportunity to attend as well. There's four hours training, all of them in the morning from eight o'clock until noon. There's three hours of classroom theory and equipment training, and then we went out to the field and did some actual compaction and some testing with that material once it got compacted. As I said, we discussed and review the City of Las Cruces roadway standards and Utility standards. Everybody got a copy of the standards so they understood it, we discussed it, and we also had some handouts that Dr. Lommler provided and we had some big discussions in regards to the equipment that they utilize to do their compaction. There was a lot of lightbulbs that went on in regards to their equipment use and how much they can actually compact when they run into loose fill material. That opened up a lot of questions, there's a lot of answers given by Dr. Lommler, it was a very good session, all of them.

I put a couple of pictures of Dr. Lommler in the upper right picture going over the theory of compaction. Dr. Lommler is very good at giving practical sense training instead of really theoretical training. He can just bring it down to a level that everybody can understand. Then we went out to the field and Lee Lommler demonstrated the densometer and how it's used and how a technician could actually fail you it might have been the technicians fault for failing. He discussed these different things that could happen. We got the mix material onsite, installed it in the trench, and backfill compacted, and that gave everybody a chance to weigh in on is it going to pass? What's going to fail on it? What's not? And then see what the final results were.

It was a very interesting training session. We're going to continue with this training, we'll do it again next year, invite everybody once again just so we can keep this repetition going and this understanding of what's required in our standards. Our



standards are great, they were, now we just got to get everybody to focus on those and meet those standards.

Chair Sorg: Any questions?

Dr. Garcia: We're ready for Resolutions.

## **6. RESOLUTIONS FOR DISCUSSION**

Chair Sorg: Resolution for discussion is **Resolution 16-17-054**. A Resolution to Accept the State of New Mexico Environment Department, 2016 Legislative Grant Agreement No. 16-A2258-STB.

Little: So Moved.

Baumgarn: Second.

Chair Sorg: Moved by Commissioner Little, Seconded by Commissioner Baumgarn. Is there any discussion? Question already, Mr. Carmichael.

Carmichael: Just thinking back to the report we saw earlier on the interconnects and what kind of expectation is there from the State on grants? Is this the same kind of grant that we've done these other projects with?

Clark: Chairman, Commissioners. The exact same kind of grants.

Carmichael: Is there an expectation on the State's part on how many customers sign up and get interconnected and should we be doing something to encourage that a little bit more?

Clark: Chairman, Commissioners. That's a good question, there's no requirements from the State to have these connections. We just tell them the need of the service in these areas. It's up to the customers to connect now because once we build it. It's the customers or residents in these areas that want it. Specifically, this one, they wanted this project.

Carmichael: We're trying to protect their groundwater.

Dr. Garcia: Mr. Chairman, Commissioner Carmichael. Unfortunately, our Ordinance is too flexible, the City Ordinance says, that you have to connect but then part B says, however if you have a functioning septic tank you don't have to connect. Surprisingly the State grants don't put a condition because if there were a condition that would be impotence for the City Council to change that. If I recall many years ago, Marcy, we did have our Work Session of the City Council, it was a different Council than what we have today but I know Councillor Sorg was in that meeting and we had an extensive discussion and the direction was let's leave it alone for now and try to incentivize customers to connect rather than mandatorily give them 6-months or 3-months to connect if the sewer is there.



Many cities, I believe El Paso does that, you have a sewer there in front of you, you shall connect within X period of time. We haven't done that and that one provision in the Ordinance prevents us from mandating connection. Joe showed you in some of the other projects, not everybody is connected because their septic is still working. Granted that, once we work closely with the Environment Department, if the Environment Department knows that there's a sewer line its very unlikely they'll renew the septic permit so at that point they will connect. We know that eventually they will connect but that's a good question in the fact that the State does not require it. Even though it's all through the Environment Department, there's no requirement on the grant itself on any of the septic systems for connection.

Chair Sorg: That's true, I would like to ask an additional question on that. How often does a septic tank user have to renew their permit?

Dr. Garcia: I'm not sure, Mr. Chairman.

Clark: Mr. Chairman, Commissioners. I don't believe they have to renew their permit, if their septic fails then they have to go back and get another permit.

Little: When they get a new permit, it's a construction permit.

Dollahon: Mr. Chairman, may I add? For the Commissioners that don't know this, from a grants perspective the State DFA (Department of Finance and Administration) is giving us through the Environment Department from the Legislative appropriation the money to perform to put the improvement in the street. And when we spend the money we perform on the grant requirements. There's nothing within the grant that says, you have to force these people to connect. We preformed because we made the improvement within the streets, we've expended the funds, we've made the obligation, and it's available there. Eventually we will get them connected to the system.

Dr. Garcia: If I may add one more thing, Mr. Chairman. You all remember changing the policy where we also allowed them to amortize the payment of the impact fee, which was one of the impediments. I think on our side we've done quite a few things to incentivize then connecting. But if someone doesn't want our monthly bill for sewer and the septic is still working, they will trickle in overtime.

Chair Sorg: That payment was much bigger because they are paying for the pipe.

Dr. Garcia: In one of them, yes. In addition, you all allowed us now to amortize the impact fee. Originally we were having them come up with impact fee up front.

Chair Sorg: That's right, thank you Carl. Any more questions? Commissioner Johnson.

Johnson: Is there any of the problems the State is having with shortfall on income that puts any of this money at risk? There's been money allocated three or four years ago still not being spent, I know we've made a very strong effort to get it spent as soon as we get



it. But is there any real risk out there because the budget the Governor is ordering budget cuts across all the departments.

Dollahon: Mr. Chairman, Commissioner Johnson. We had discussions with our State Legislative lobbyist, Larry Harran, based on a recent Legislative Finance Committee (LFC) and in anticipation over the Governor calling a special session on the budget shortfall I anticipate it September or early October. The LFC is the key committee to controlling the State's budget is looking at recapturing any State Legislative appropriations older than 2013 that were made prior to that. All of the current grant that we have for Utilities are newer than that or have been previously completed. The City has one grant partially unspent from 2013 on relocating some bus shelters to the tune of \$32,000.

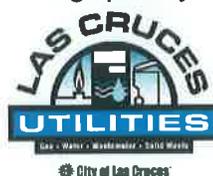
That doesn't mean that the State couldn't look at other uncommitted projects on newer years. The LFC thought it based on our Lobbyist indication, recapturing the uncommitted 2012 or earlier money was a relatively small percentage in the budget shortfall needs, I think it was less than 10%. They have contracts with us and give us opportunity to reform and commit the funds, that's why they weren't looking at anything newer than that. But that does not mean that the legislature and the Governor may not change their mind. I did provide a report to the Council in last week's Newsletter to the Council and that's available on the City's website and it has a detailed chart of all legislative appropriations and their standings.

Clark: Chairman, Commissioners. If I can add to this, this project was designed back in 2008 off of another grant. Grant money that we received, there wasn't enough available to do the construction at that time but it's completely designed. Once this agreement is finalized, after you all sign, it goes back to Santa Fe, they'll finish it up send it back to us and say, the money is available. We are ready to bid the project right now so we're not going to give them a chance to take it away. We're ready to go as soon as everybody gets is signed we're going to bid it and three weeks later we'll get a contractor and then it'll be under construction. We plan on spending that money.

Chair Sorg: And it's just the purple area on the map?

Clark: Yes, I can point that out. The purple area and the red area, it was actually two phases but with the grant funds that we're seeing right now we can complete both of these phases. It's kind of an odd subdivision because they built this portion first then they came in and built these two sections again to install sewer, the developer did.

I built this section here when I was at Public Works. This one was kind of left in limbo and people had been asking for this money for a while now. The Representative of that area helped push this all the way through since we already had plans already done. We put together a booklet, passed that on to them and they took it to legislature and low and behold we got some money. We're prepared with this design now, my staff is ready to spend the money, we want to have money spent before the end of the year. I told my staff that, they don't necessarily have to do that but they're still thinking that they have to so we're moving quickly.



Chair Sorg: That's in City Council District 2, right?

Clark: I believe this area is outside the city limits.

Chair Sorg: Outside.

Clark: It's outside the city limits but within our service area.

Dr. Garcia: Mr. Chairman, yes. We serve the area by Carver Road, Tombaugh and all of that. Years ago the City Council approved service in that whole area so we serve that whole area. The developer when he built the newer phases he built a lift station up to City standards and turned it over to the City. It is our service area and soon to be our water service area.

Chair Sorg: Is this Jornada?

Dr. Garcia: It's Jornada Water.

Chair Sorg: Okay, great. Thank you Carl.

Clark: Thank you.

Chair Sorg: Any other discussion on this Resolution? If not, I'll call for a vote.

Called for the roll on the Motion to Approve **Resolution 16-17-054**. Commissioner Ericson - Aye; Commissioner Johnson - Aye; Commissioner Baumgarn - Aye; Commissioner Little - Aye; Commissioner Pedroza - Absent; Commissioner Carmichael - Aye; and Chair Sorg - Aye.

***The motion was Unanimously Approved 6-0.***

## **7. OLD BUSINESS**

Chair Sorg: Next item is Old Business. Is there any Old Business?

Dr. Garcia: Yes, sir. We have a few items. If I may Mr. Chairman, on Monday I was going to respond to a comment you made during the discussion of fuel and the Mayor said, "we're diverging from the subject matter" but I want to remind the Board that the CNG station across the road is a shell station, the building is there but if you recall we shut down that station in 2011, when the contract with Clean Energy expired and we had no more customers. We do have a few City vehicles, the Utilities has them all, except one. One is the new Police and taxi vehicle for educational purposes that PD has and that's a CNG vehicle. There's about four CNG vehicles, we serve them with smaller units back here. The big station is pretty much from the gas pressure standard is obsolete station and so it's no longer usable. I wanted to clarify that because you talked about potentially using that and looking at the City Policy. It's a nice building but it's there's nothing there.



Chair Sorg: Actually Mr. Dollahon, told me that too.

Dr. Garcia: Good.

Chair Sorg: I told him, "that's okay, we'll skip natural gas and go right to electricity."

Dr. Garcia: Also, I'll remind the rest of the Board and some of them were not Board members when we did that. If you wondered what that nice building is, there's nothing there.

Chair Sorg: I saw somebody fueling something out there a few years ago. I just hadn't seen it recently. Okay.

Dr. Garcia: The second update is Susan, give us a brief MUNIS reimplementation. Periodically we talked to you about reimplementation so that you are aware.

Cerny: Good Afternoon Chairman, and Commissioners. I've spoken a number of times over the past year about the MUNIS reimplementation. One of the milestones in that reimplementation is upgrading to the current version of MUNIS. We're a good 5-years behind current and there's been a lot of new functionality so that upgrade is happening this weekend. Actually, it will start tomorrow afternoon and by Monday morning we will be on the new current version, they've come out with a new one since, the one as planned 11.1. We have all the various sections in Utilities and all of the departments across the City have been preparing for this. There have been numerous testing and plans for this weekend to have minimum effect on our customers as far as we have it now. The biggest effect that might happen would be that we will not have online bill pay available from one o'clock tomorrow, Friday through Monday morning at 8:00 a.m. when it gets turned back up but there's phone pay so people can still pay their bills.

Chair Sorg: Does that mean that the rest of the system will be down and we can't use our computers?

Dollahon: Mr. Chairman, no. The rest of the system will not be down and from a Customer Service and Utility Bill Paying stand point, the cashiers and Customer Service will be able to do a limited inquiry to the bill paying and we will be writing on hand receipts tomorrow afternoon so that we're not impacting Customer Service for the walk in customers, so that's important. One other thing that Sue hit on is that we're five versions behind, with the current reimplementation of the project the City is committed to the long term reuse of MUNIS. They now have an Evergreen Policy that has scheduled upgrades that with our purchase of this upgrade commits us to keeping on schedule. We're going to 11.1 and they're already in the development phase of 12.1 and 12.2 but there's an 11.1, 2, 3, 4, and 5 in between. They're in development phase but their implementation phase is either an 11.2 and 11.3. The current version we're in to 11.1 is a major upgrade. There's a serious structural change in how they store data. That's why we have to jump to 11.1 but we will be "Evergreen or always current" going forward and we will anticipate an upgrade every 18-months, in a worst case scenario sometimes shorter than that.



Chair Sorg: Thank you. Thank you Sue.

Cerny: Welcome.

Chair Sorg: Thank you Mr. Dollahon. Any other Old Business?

Dr. Garcia: Mr. Kemmer has an update. Where is he?

Kemmer: Mr. Chairman, Commissioners. Just an update on my never ending truck sales. If you all remember last year we purchased 11 new vehicles so I had a lot of old vehicles to get rid of. We initially made them available to municipalities and sold a bunch of them to municipalities at decent prices. The rest of them, we tried out the public auction site, which is a public auction throughout the whole country and we had some pretty good results when we initially tested it so we went forward with the additional vehicles. I have now sold all seven of my pieces of equipment that I had available after the municipal sales and I received a total of about \$230,000 for those seven pieces of equipment. Descent money that will go back into the fund so that we can purchase more vehicles in the future.

Chair Sorg: Very good, thank you Klaus. Any other Old Business?

Dr. Garcia: Yes, Mr. Puentes, PEAK (Public Energy Authority of Kentucky) contract.

Puentes: Good Afternoon, Mr. Chairman, Commissioners. I just wanted to briefly update you that PEAK has set a target date of October 20<sup>th</sup> to close the deal. Their indication is that the documents are not ready; there's a lot of tax attorneys, and bond attorneys, and what not. October 20<sup>th</sup> is targeted date and if that happens then we should start receiving that gas on November 1<sup>st</sup>.

Chair Sorg: Okay, very good. Thank you Mr. Puentes. Any questions here?

Ericson: Quick question.

Chair Sorg: Yes.

Ericson: Any senses to what the market is going to be for natural gas this winter? High-low, up-down?

Puentes: A little bit higher than last year. Last year I think we averaged somewhere around \$3.20 so I'm looking at about...

Ericson: Per dekatherm?

Puentes: Per dekatherm, yes. That's including transportation so that's the delivered price to the customer. I'm thinking about somewhere in the \$3.50 range for this coming year.



Ericson: I'm just curious, I'm not looking to buy a futures contracts but I was just curious more for what my bill is going to be.

Puentes: You should not expect a big increase.

Ericson: Okay.

Chair Sorg: Thank you.

Dr. Garcia: We have one more Old Business, Adrienne.

Widmer: Mr. Chairman, Commissioners. Just wanted to let you know we're ready for the 4<sup>th</sup> Anniversary Open House of the Griggs/Walnut Superfund Project. That'll be the 29<sup>th</sup> of this month from 10:00 a.m. to 1:00 p.m. at the treatment site and hopefully see you there. You'll see the advertisement coming out shortly and we definitely wanted to let you know ahead of time. We hope you all can come and join us.

Little: Come thirsty.

Widmer: Yes, please.

Chair Sorg: Thank you Adrienne. Question?

Ericson: Quick question. I don't recall from the initial discussion. How long do we anticipate that we're going to be treating water there? Forever? 20 years?

Widmer: Mr. Chairman, Commissioner. If we stick with the original, we probably have at least another 10 or 11 years.

Ericson: Okay.

Widmer: They estimated 14-15 years, so the 4<sup>th</sup> anniversary, 10-11 maybe we'll be done before I retire.

Ericson: How do we know when we've reached that point?

Widmer: Mr. Chairman, Commissioners. More than likely what we can anticipate that's happening as we get closer and closer to finishing up and getting it cleaned up, the outer monitoring wells will come back zero consistently. Then when we get to the center, center it's going to come back zero and then of course it all depends on what happens when we finish negotiating with EPA on the consent decree on how we're actually going to term that. That's what I can see actually happening because as we've seen through the Annual Reports some of those monitoring wells are already starting to show zeros.

Ericson: Which is good.



Dr. Garcia: It's working.

Ericson: Yes.

Chair Sorg: Commissioner Little.

Little: It's like watching a snow bank melt.

Widmer: In Alaska.

Little: Yes, there too.

Chair Sorg: Wasn't there an amount of money dealing, which the City got? I think I got an email on that.

Dollahon: Mr. Chairman, we reached a confidential settlement agreement with one of our insurance providers, one of the simpler ones. That's the extent that I can share it with you.

Driggers: The dollar amount is public record.

Dollahon: The dollar amount was a million dollars but it's a little more, that's the easier one of the settlement agreements with the insurance company. The other insurance company, the mediation at Federal Court is ongoing and that one will probably...

Driggers: The tease for Dollahon on his first day as Interim City Manager, he signed the settlement decree for \$1 million dollars and I said, "keep it up."

Dollahon: She told me the other one might be for \$8 million dollars but don't expect it.

Dr. Garcia: If it works.

Dollahon: If it works.

Chair Sorg: Okay, thank you Adrienne.

Widmer: You're welcome, thank you.

Chair Sorg: Any other Old Business?

Dr. Garcia: No sir, not from staff.

## **9. NEW BUSINESS**

Chair Sorg: Any New Business?



Dr. Garcia: We have one item, Mr. Chairman. I'll let Joe jump in as necessary. We had an inspection of our gas system, gas procedures, training, and qualification and we have had to make some changes in the way we do business particularly with the Field Services group. Field Services go and shut off your gas or turn on your gas, we reactivate gas services, and so on. The prior procedure was that customers would call and say I need gas at location XYZ, we go and we activate the service. In other words turn on the service but then left a note with the customer to make sure the customer side is shut off. That is not conforming with the pipeline regulations and gas utility law.

What we need to do is have the customer present when we activate gas. We immediately changed the process with the regulators, it's PRC and behalf of the Federal government; brings up certain issues: one is the training of the Field Service employee to work on the system, they need to be trained just like the Gas system employees and since they are in difference section we had to do training even on a weekend so we can continue to activate service, that's one thing.

We cannot use the plumbers that we were using because they would have to be trained by our personnel here on the OQ (Operation Qualification) program, there's certain tasks of the OQ program. We have to do that with the plumbers so for now we're not using plumbers until we can train or contract plumbers, that's the second thing.

The third thing was we need to have the customer present to activate service. Mr. Dollahon already has had a few complaints where people want to talk to the Mayor because we changed the process. This is Federal law and it prevents people from being blown up.

We have two vacancies in that Section, we have six people, it's been advertised so hopefully we can respond better than what we've been responding. But we have four people that are working very hard to meet demands on a half day basis. We're scheduling people saying, "we'll be there in the morning or in the afternoon." Yesterday we had a complaint that someone, had to be at a doctor's office for an appointment, wanted it between a 1- or 2-hour time frame and I can't do that, not with the personnel we have.

It's Federal Law so people have to be there and if we arrive and they're not there they'll have to reschedule. We need to do a lot of educating. Staff will work with Suzanne; we're getting stuff out. We're going to put things in the bill and we're going to send notices through PIO to please be patient, but it is for us to be fully compliant with federal regulations. We will turn the gas on when people are there and we go one step further in our utility that the private sector normally doesn't do, we do a shut-in test, meaning we make sure there's no leaks on the system. We turn on the appliances, we do that but there needs to be a person - we can no longer just leave a note saying your service is activated call your plumber, etc. - because a lot people won't call the plumber and they do it themselves. Yes, it's less flexibility but we're not



fully compliant the way we were doing it in Field Services and now we've changed the process.

There will be a lot in the news and you'll see it and hopefully as we educate people, and yesterday Joe spent some time with this customer and he finally understood that. He didn't like the fact that he had to set a 4-hour period but if it's federal law it's beyond our control and I think we're doing good by scheduling at least morning or afternoon.

That's a New Business, a new change that you'll hear about.

Chair Sorg: Commissioner Ericson.

Ericson: That only applies to gas, doesn't apply to water. You can still go out and unpin the water and leave it off.

Dr. Garcia: Yes, the water is not subject to this regulation but that is a problem. We were conserved that in our Gas utility we're following the right process. In Field Services in order to be more flexible with the customer we deviated from the straight process and when you read the law we need to do it right and we need to do it consistent between the gas utility and field services.

Chair Sorg: Okay.

Ericson: Mr. Chairman, Dr. Garcia. It's only the turn-ons are Monday thru Friday, right?

Dr. Garcia: Yes, and Joe we still do after hours but that has a cost, correct?

Provencio: Correct.

Ericson: Oh, so you will do it?

Dr. Garcia: Yes.

Ericson: Okay.

Dr. Garcia: But that has to be after hours.

Ericson: After hours or weekends.

Dr. Garcia: Yes.

Chair Sorg: Any other New Business?

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

Chair Sorg: Thank you Dr. Garcia.



## **10. BOARD GENERAL DISCUSSION**

Chair Sorg: Any Discussion? I have a quick question. Maybe it's just my perception and it's not really true. It seems like we're having a lot of pipes that are breaking and leaking. Just today or yesterday the Las Colinas, Arena I think it was.

Dr. Garcia: Jade.

Chair Sorg: Jade, that was it.

Dr. Garcia: Mr. Chairman, and I'll let Adrienne jump in. This summer we've had quite a few pipe breaks and it varies with the season. Yes, we've had a few but I don't know that we've had a problem that is similar to the service line problem that we had in many subdivisions. These are larger pipelines, in this particular case, it's an area that is scheduled to be fixed because of storm runoff. Will you elaborate Adrienne.

Widmer: Yes, sir. Mr. Chairman and Commissioners, the Las Colinas one, that particular one is an area that we've been working with Public Works. They just finished the design for us to not change the drainage but to control the arroyo more appropriately so that it doesn't affect any of our utilities that are in there. Hopefully we'll have that fixed very shortly and it's because of the way the line is in there and because it erodes with these very fast storms that actually caused the problem this morning. It was very nice because it happened early and within two hours they were able to isolate this line where water was back on. We do have to wait for the arroyo to finish running because it's still running now, we checked it even after lunch and it is still running so it'll probably be another day or two before we can actually get in there and repair the line but at least we have enough redundancy in our system that it is being fed from two different areas, that part is positive.

Chair Sorg: I was just curious whether or not it was in the arroyo.

Widmer: Yes, that one actually is. The other ones this summer, it does seem like we've had a lot of those and I think part of what it is because we're on such a fast pace with a lot of the Public Works projects with the roads because of those bonds that we're going in there and we're having those older lines fixed and so it just seems like it's a lot more. But those just kind of go along with some of those projects and once we get through those projects we're not going to have those headaches anymore.

Chair Sorg: These are plastic pipes?

Widmer: The ones that are typically breaking are AC (Asbestos Cement) pipes, they're older ones so they're like 30-40 years old.

Chair Sorg: Okay.

Dr. Garcia: Mr. Chairman, Adrienne. The one this morning I believe is ductile iron, isn't it?



Widmer: That is correct. That's a younger one but that's an arroyo issue.

Dr. Garcia: That was put in to loop Las Colinas in 1989 or 1990.

Chair Sorg: Thank you very much.

Widmer: You're welcome.

Chair Sorg: Good to know. If there's no further discussion, I'll entertain a motion to adjourn.

**11. ADJOURNMENT**

Little: So moved.

Baumgarn: Second.

Chair Sorg: Moved and Seconded. Is there anybody opposed, if not, we will adjourn.

**The motion to adjourn was Unanimous 6-0.**

Meeting adjourned at approximately 4:37 p.m.



Gill Sorg  
Las Cruces Utilities Board Chair



Date