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

1. **Conflict of Interest:**  
Chair Little: The first order of business is to inquire of the Board and staff if anyone has any Conflict of Interest with any item on the agenda.

There were none.
2. **Acceptance of Agenda:**
Chairman Little: The next item of business is Acceptance of Agenda.

Johnson: So moved.

Chair Little: Thank you. A second?

Baumgarn: Second.

Chair Little: Thank you. Any additions or corrections to the Agenda?

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

The Agenda was Accepted Unanimously 6-0.

3. **Acceptance of Minutes:**
   *a. Regular Meeting on August 8, 2019.*

The Minutes were Approved Unanimously 6-0.

4. **Public Participation:**
Chair Little: Next item is Public Participation. Are there members of the public present that would care to be heard? Seeing none.

There was none.

5. **Administrative Report:**
Chair Little: The next thing is the Administrative Report.

Provencio: Good afternoon Chairman, Commissioners. Jose Provencio, Deputy Director Business Services. I'll walk you through and brief you on activity in Customer Central and Billing and Receivables areas.

First off I just wanted to give you a sense of activity in regard to this time of year where university starts up with its class schedule and we see the resurgence or the increase in number of applications and numbers I provided here give you a sense of what is the process that handled that at Customer Central and with all the other processes to activate new services.

The next item following up on the prior question that we got from the Board was current subscription or participation levels of our e-billing and customers that use the auto draft feature that we offer. Gives you a sense of the participation there on slide three.
The next point is another question that was asked by one of the Board Members. Providing a measure or a marking point where we were prior to the commencement of the AMI project. We had a good level of people in the meter reading who are now known as Metering Infrastructure to handle the process that was done manually month in and month out. As we've progressed, each one of the positions that were vacated were either handled by transition, transfers, attrition, job reclassification. We are at a point where we're still having to have a few, process some metering sites manually, the old-fashioned way but we're gaining the efficiencies that we were planning on in terms of AMI projects. It gives you a sense of how this was achieved in terms of reductions in head count all within, for the process and the program we had mentioned. I have a question here Chair.

Johnson: I'm just curious why there's still so many in the temporary category.

Provencio: To that point Commissioner is that the system is progressing in terms of being installed and upgraded and placed on the network. There are still a few sites that have to be, not few, there are a few, probably 1,000 in order of magnitude that still have to be read and obtained manually. Driven out to and getting readings. Those are rapidly being closed or transitioned out of a manual read and being placed on the network. Until that time, we still have to send out boots to get the meter readings and bring them back.

Johnson: Okay.

Vasquez: Mr. Chair.

Chair Little: Go ahead.

Vasquez: Mr. Provencio. Thank you. For those three full time positions, were those relocated elsewhere, were those folks that retired or were those folks that were let go?

Provencio: To answer your question right off, there was no staff that was let go.

Vasquez: Okay.

Provencio: There were no terminations. Those positions, those vacant positions that used to be occupied in meter reading were transitioned to other areas, either Water operations, some other areas that needed additional staffing. They were repurposed within the department.

Vasquez: Thank you. I appreciate that. That was spirit of getting this information. I know we had discussed that when we were speaking about the efficiencies that
nobody would be let go or lose their job, so I appreciate that, understanding that a little bit better. Thank you.

Provencio: Yes sir.

Chair Little: Anything else? Go ahead.

Provencio: Next item for review, wanted to brief you that we are continuing the update of our Development Impact Fee charges. We're working with our consultant here to get the final draft for internal review before we forward this to the CIAC (Capital Improvements Advisory Committee). One of the things that we did have to recalibrate was when we looked at the specifications of the base meter, the new water meter standards, the new water meter that we are now putting into our system has a higher flow rate than the standard Bronze body type of meters. That affects the initial calculation of the Impact Fees as we scale up from the smallest meter to the largest meter. That was updated or provided to our consultant and once we get that we will proceed to review and prepare to forward it to CIAC for the full review process, for the Development Impact Fee charges.

Chair Little: Do we anticipate that those Impact Fees will grow or shrink?

Provencio: I haven't seen the final result yet Chairman, but I think we can all guess that things tend to go up, they never go down.

Chair Little: All right. Thank you. Any other questions?

Dr. Garcia: Mr. Chairman. If I make a comment regarding the Impact Fees for the benefit of the two City Councilors. As you know you all have authority under the bylaws to approve those fees, however there was a prior decision from the City Council of allocating the fee between the builder, the customer, and the utility. More than one Council Member have expressed concerns about that, and that was on Council policy. Last time you all didn't change that and therefore there was no need for Council participation. I anticipate that this time around you will be asked to forward that to the City Council for them to decide whether they still want to do the allocation, which is by Council resolution, or whether they want to revert everything back to the development.

Some of you that were involved in the prior fee 2014 you recall that we had about half of it is paid by the builder and then 22% in the water is paid by the Utility, right, and then the end customer pays the other. It's allocated, the total fee. Last time we didn't change that, but now there is an interest to revisit the issue. I imagine the Council will have a work session. You'll recall I believe Councilor Flores brought it up and there was a decision that there would be a work session. Once we have the total number, we'll remand to the Council and
Dr. Provencio: Chair

say, "What do you want to do with that allocation?" because there's a viable or existing resolution from the Council allocating those costs. If they rescind that then everything goes to the building community, but it's been in place since 1995. Yes Commissioner.

Sorg: We're just talking about Water and Wastewater.

Dr. Garcia: Correct.

Sorg: Impact Fees.

Dr. Garcia: That's the only ones under our purview. Yes.

Sorg: Just clearing the air here.

Dr. Garcia: That's all I have Mr. Chair.


Provencio: Thank you. This portion of the update is provided every month and it gives you an update in terms of our Utility Assistance Programs and the utilization of each one of the programs and options that we have for our customers. As before, there are many of these options that are exercised repeatedly over and over. Customers really avail themselves of any assistance that we, or any flexibility that we can offer to our customers in terms of meeting their payments. In terms of the Casa de Peregrinos, provided numerically the remaining balance of the assistance that we have for the new fiscal year 2020. In terms of a graphic representation we have a 70% balance that we can utilize to assist our customers month in and month out throughout the year. Any questions if you have any in regard to this section of the presentation?

Chair Little: Seeing none. Thank you. I'm gratified that it's a larger number this year.

Provencio: Yes sir.

Dr. Garcia: Mr. Chairman, Commissioners. A couple of items on the water litigation Texas v. New Mexico and Colorado. There are depositions being taken of Texas actually today and tomorrow. We have our attorneys attending those in El Paso. We've done an evaluation with our consultants of the Witness Reports that Texas and the U.S. have. We'll be providing our comments to the Attorney General (AG) as to what our thoughts are on those reports. We've also contributed, thanks to the AG's willingness to receive some questions that we forwarded to the AG for the depositions, which is a good thing because we have two excellent hydrologists that read those reports and there are very interesting questions to be asked. That is a good thing.
Special Master hasn't acted on the hearing of April, so things are moving extremely slow. We'll let you know when that happens. Once we know the outcome, we'll probably be ready for an Executive or a Closed Session to brief you on that. Potentially a Closed Session from the City Council to brief them on that. There was a Draft Texas Settlement Proposal. Nothing new. New Mexico proposal is on one end and the Texas proposal is at the other end. Nothing new, like I said. All based on the Operating Agreement. It's going to be a very slow process of negotiation if there is going to be settlement because they're at totally different extremes in terms of either management and operation of the system.

At the last meeting, I think it was, Commissioner Archuleta had requested a Closed Session or an Executive Session probably in October. The attorneys recommend that on this subject we wait until the end of the year until we know more about the outcome of some of these depositions and potentially the outcome of the decisions from the Special Master. Either the November meeting or the December meeting, that's what they are recommending. Originally, I think, Commissioner Archuleta had requested potentially at the October meeting but the things that I pointed out here, if we go into details there isn't much more information in there in terms of what a Confidential Settlement, for example proposal, because it's things you've heard before in the filings of the lawsuit. Nothing new in terms of moving towards a settlement.

On the other hand, Griggs Walnut Federal litigation. As you know we had an August 15th Settlement Conference, a mandatory conference. We spent the whole day there. The judge decided that maybe we were going to get some outcome if we didn't break for lunch and he didn't let us out of the courtroom, and it worked. It's a technique that works I suppose. Mr. Studer was there. Actually, he signed off on the dotted line on that tentative agreement or recorded. He will record an accepted agreement. It is a good Settlement Agreement. In a future Closed Meeting we can tell you the details, but at least as of between the Superfund Project, the City and the County and the Feds, I think we have an agreement. The private parties were set aside for now. Those are the dry cleaners. That will be resolved, we will address those later once we have a Consent Decree. The Consent Decree we have 45 days to do that. The terms of the settlement had to be approved by the City Council and Doña Ana County Commission, they both approved the terms.

I can tell you in general that it is very favorable to the City and the County. We're still responsible for the project. We're still going to have to dedicate resources to close the Superfund project over the next 13 to 15 years, but a lot of the past costs from EPA (Environmental Protection Agency), or a great portion of it have gone away and there will be some form of contribution of the National Guard, which is what we've been fighting for a long time. At the end of the day I think this is an excellent settlement. It's better than what any of
us expected. Hopefully the Consent Decree can be finalized. The 45-day time frame is actually a little longer because the time is computed from the time the Judge issued the order, so we actually have about 60 days from the time of the meeting to about some time of October, middle of October, 16th to the 20th of October, somewhere along those lines. That was the good news this past month at least we see the light on that litigation.

With that I’ll address any questions you may have.

Chair Little: I have some. The Consent Decree will be published in the Federal Register.

Dr. Garcia: Yes. That’s correct. The Consent Decree like any federal document has a comment period and it has to be published. At that point it’s public, right. We’ll bring the draft to you once it’s out there.

Chair Little: Okay.

Dr. Garcia: It will outline what the responsibilities are. One important thing is that we were very careful about keeping the current Statement of Work. As you know we have an order to clean the site and the technical part of it has not changed, so that’s a good thing.

Chair Little: Okay. I mislaid the notice, but EPA and New Mexico Environment Department are holding a hearing sometime this month on the Superfund site.

Dr. Garcia: Yes. We were going to brief you on that. Ms. Widmer is going to brief you on that. We have the open house and we have, they schedule periodic meetings and they’re going to have a meeting to talk about the project. It won’t have anything to deal with the Consent Decree of course, it’s going to be status of the project and where we are in terms of the compliance.

Chair Little: Okay. Anything else? All right. Thank you.

Dr. Garcia: Thank you. Ms. Lawrence.

Lawrence: Good afternoon Chairman, Commissioners. Robin Lawrence, Deputy Director for Solid Waste. I am just going to kind of give you a little brief on an event that we participated in. This was the 5th Annual Touch-A-Truck Event that happened August 24th. It was at Camino Real Middle School. The event is actually sponsored by a group called Mothers of Preschoolers from one of the local churches. They ask different participants throughout the community, whether it’s construction, utility, transportation. All these groups bring out these really big trucks, kids go out and check out, climb in, honk the horn. In the past Solid Waste has participated I can say for sure at least the last four years. I know Wastewater is out there. They share with their vecto truck. We
give demonstrations. We give out goodie bags. This year we had backpacks and tattoos for the little guys. They do charge to get into this event but all the funds for it go to local charities such as Turning Point of Las Cruces, The Lighthouse Clothing and Food Pantry, Jardín de Los Niños, and Project Linus, to name a few. Just another public outreach event where we get to show off our stuff and staff interacts with the public.

Also, they make us little thank you cards and posters about us going out there and stuff, so we hang these up for the staff out back, so they know that the kids enjoy that kind of stuff.

Chair Little: Comments or questions?

Sorg: Good job.

Lawrence: Thank you.

Chair Little: I was especially envious of them being able to honk the horns on those big trucks.

Sorg: Yes. I didn't get to touch a truck.

Clark: All right. Thank you. Chairman, Commissioners. I'm Carl Clark, Deputy Director Environmental Technical Support. I'm here to give you the September 2019 Projects Update. The three projects I have selected are the Water Service and Road Rehabilitation Project, Vista de la Montaña, Vista de la Luna, Pines, and Sonora Springs Project; the Talavera 8-inch Steel High Pressure Gas Extension; and the Bowman Street Waterline Replacement Project.

The first project is the Water Service and Road Rehabilitation Project. The contractor is Smith and Aguirre Construction a contract cost of approximately $1.8 million. Contract time is 224 working days. We started this project back November 5, 2018 with an estimated completion of September 27, 2019. They're approximately 92% complete in regard to construction and 72% in regard to their payments. We've had this conversation with Smith and Aguirre before about how slow they are at billing. The project has moved along very well. What's remaining left is the asphalt. I've installed a couple of photos there for you showing the asphalt being installed, subgrade prep going on. I believe the last road is Coyote Flats with a couple of smaller patches in the street adjacent to that. Then they will be complete with this project. Once we get out of the way, Public Works actually has the micro surfacing project that's coming up this month, and all the roadways that we went in and patched will be micro surfaced, so it'll have a nice homogenous continuous look to it. The patching in my opinion was very good quality, so I won't ever tell that there's a patch there underneath the micro surfacing. Any questions in regard to this project?
Sorg: Thank you.

Chair Little: Commissioner Carmichael.

Carmichael: We're going to talk about this later, I guess.

Clark: Yes sir.

Carmichael: Under one of the Resolutions, but these are the same areas where additional leaks have been exposed.

Clark: No sir. All the service lines in these areas have been replaced so there are no leaks in these areas. The other areas that we're going to talk about under the Resolution were part of the analytics, the leak detection sensorsthat we had installed.

Carmichael: But not in this area.

Clark: Not in this area.

Carmichael: All right. Thank you.

Clark: Yes sir. Good question.

Chair Little: Anything else?

Clark: If there's no other question, the next one is.

Chair Little: Go ahead.

Clark: Okay. The Talavera 8-inch High Pressure Gas Extension. The contractor is DuCross Construction. The contract cost is $1.5 million with a contract time of 136 workdays. The start date is March 4th, estimated completion is September 12th. They're approximately 75% in regard to construction. The percent complete in regard to payment is 67%. They've installed all of the casing as part of this project. There is some 8-inch steel casing that was installed. They've also installed almost all of the low pressure poly pipeline as part of the project as well. There's almost 5,000 feet of that. That's been completed. Then 6,500 feet of the 8-inch steep high-pressure pipeline has been installed. A couple of photos I have for you, you can see that photo with the tiny excavator in the background there. That was taken by one of our special inspectors via biking trip that he was on, so he didn't get too close, Dr. Garcia.

Carmichael: I thought it was a drone.
Clark: Yes. It was almost like a drone. That's at the top of A-Mountain. I told him not to be biking up there, it's too dangerous, but he doesn't listen. The steel high pressure gas line you can see it being installed in the lower photo there with a trench, nice and clean and it is being vetted once the trench they drop the line in after it's welded and actually test it. That's all I have for you on that. We have a question over here.

Johnson: I presume they're not finishing today.

Clark: Yes. Chairman, Commissioner. Not finishing today. Actually, we have a couple of change orders in place and one of them is downtown being signed, so that should change the time of the project. I think there's another 30 days involved with some issues that were out in the field plus there were some delays in submittal review for the pipe materials. This was the first time I believe that we had this special coating on these pipes so there were some small delays on our side that we caused to the contractor that we're going to allow the time to be extended out.

Chair Little: Commissioner Johnson.

Johnson: You may have answered the question here but is there an impact on the contractor when they miss the completion date.

Clark: Chairman, Commissioners. Yes, there's always some kind of liquidated damages on these construction contracts. That was established by our consultant. They go through the process and review what the liquidated damages are and then they apply that to the contract.

Johnson: Since we've got change orders in work it's so far not occurring.

Clark: Correct. Like I said we have a change order that could be under the Purchasing Manager's authority and the Director's authority and then if it goes far enough it can be under the City Manager's authority. I believe this change order is within the Director and the Purchasing Manager at this time, so they're approving that change order as we speak. It's in process. Does that make sense what I said?

Johnson: Yes. Since we still don't know but there still is a possibility there will be damages incurred?

Clark: There still is a possibility they could be in liquidated damages. This contractor did have a trespass against him with the Bureau of Land Management, which caused him delays to move out of a certain section and he went to construct further to the west because he had to resolve the issues on the trespass. He
went into the Bureau of Land Management property from 20-80 feet. He had to do some certain work to ensure that he didn't disturb any cultural sites. That could cause something down the road that would apply to him as a liquidated damage.

Sorg: Mr. Chairman.

Chair Little: Go ahead.

Sorg: Carl. I've got a what-if question.

Clark: Okay.

Sorg: What if someday these pipelines aren't needed for natural gas. Could they be used for some other utility?

Clark: Chairman, Commissioner. I'm not sure what other utility would use steel gas lines for not water nor wastewater, maybe use it to deliver other type of conduit either for fiberoptic or some kind of telecommunication or something like that.

Sorg: Okay. That's what I was wondering. Thank you.

Clark: Any other questions?

Chair Little: None. Thank you.

Clark: You're Welcome. The last project here is the Bowman Street Waterline Replacement Project. If you all recall you approved an agreement between Las Cruces Utilities and the Town of Mesilla for us to be a part of their contract to install a waterline that we have on Bowman Avenue that is in the Town of Mesilla city limits. We identified that we had a ten inch AC waterline in that roadway that was built in the mid-1960s and they received funding from the state to improve the roadway and curb and gutter and sidewalk. We felt that it was out responsibility to upgrade that utility before they put the new asphalt on it. You all approved the agreement between us and them, hence they have a contractor, A Mountain Professional Construction. The contract cost was $185,000.00 for our portion of that work. Their contract time is 75 working days. They started this project July 22 with an estimated completion of October 21. That's the time it's going to take for them to repave, curb and gutter, and sidewalk that area.

I can say that in regard to construction we're more than 80%. There's going to be tie-ins that are going to be going on next, they'll finalize the mainline installation for our site and then we'll have service lines that'll have to be
switched over. The majority of the waterline that is installed in that project. The hydrants have been installed. Like I said, we're waiting for tie-ins after we get the bacteria test completed. They'll start tying those sections in. There are four tie-ins I believe, and they're all scheduled for next week to have that. That projects almost at an end for our side, but then the Town of Mesilla will still be working the asphalt and subgrade and any other drainage issues. Questions?

Chair Little: Seeing none. Thank you.

Clark: Thank you.

Widmer: Mr. Chairman, Commissioners. Adrienne Widmer, Deputy Director for Water. We wanted to give you an update because I'm sure you've read in the paper about the main break that was on University and Espina. We have a map here that actually shows where the first, second, and third break occurred. Just so that you kind of have an idea, at approximately 12:26 p.m. the supervisor received call that there was a main break. Crews assessed and went out there and actually got the line fixed. They worked all night to fix the line. Then at about 11:00 in the morning the next day that's when the second break occurred. Staff continued working through that to try to get that fixed. At about 7:00 or 8:00 in the evening they finished that up and lo and behold the third break occurred. At that point we said, "You know this needs an additional assessment and we feel that this line is probably failing prematurely." Staff worked all night to actually provide water from the corner of El Paseo Road all the way up to the other side where you can see where the yellow line stops. It crosses there and actually goes in and supplies water even to apartments further north.

Crews essentially worked 48 hours straight. Some would take some time off, get a little bit of rest and then they would come back, including both of the supervisors, of which I would like to actually introduce you to them. If you guys will stand. I've got Vicente Castillo and Ronald Borunda. They are actually new supervisors to both the Meter, Valves, Hydrants group and the Water Line Maintenance group, so we're really excited. They came together as a team and they were able to do that. Then if you'll take a look at the pipe there, so that's where the pipe was laying on the ground and that's why we're saying it is premature. This pipe is not all that old, it's only, well it was installed in 1985 and so in discussions with Dr. Garcia and with Carl we all concurred that it is definitely premature. Carl was able to get a contract going to get that fixed and I will turn that part of it over to Carl. Thank you.

Sorg: That's a steel pipe?
Clark: That is a ductile iron water line. That line actually was installed in 1983, so it's really not that old. We believe that the corrosion is starting from the outside working its way inward. You can see that's the bottom of the pipe. This area in El Paseo has had over the last 10 years several breaks in that area and they've been patched and we finally got to this point where the line further to the east is starting to collapse further so we had to move forward and take care of this problem because as soon as they would turn the water back on they'd see another break. We were afraid that they'd fix the third repair, turn the water back on, there's another break.

We decided to go ahead and go to emergency procurement and look at replacing a large section of that waterline. We identified approximately 1,320 lineal feet of water line that we were going to replace because have breaks to the west of that area, you can see where the Convention Center is, that would be this section in here, right up in here we had large breaks in this area a few years back. We've had several breaks within the intersection. Now it's failing down this direction. We decided at that point in time that we need to replace this water line and get service back to the customer. As you can see in the photos here this lower right photo shows that poly line that Adrienne was talking about. That's a 2-inch line that's strung along the sidewalk in order to supply the businesses in that area and the apartment complexes as well as Burger King and another apartment complex water supply while we go through this repair effort.

I worked with Public Works to find a contract that included all the bid items that I needed. We did find one, that contractor was a competitively bid contract. It was the Court Avenue Rehab Project.

Sorg: West Court.

Clark: West Court.

Sorg: I know it well.

Clark: Yes. We utilized those bid items and that contractor. This was bid out, we had three or four bidders that competed on these prices. We thought this was a good contract for us to pull in and use. The contract allows for them to add up to 50% on the bid items. We talked to the contractor and asked if his crews would be available to get on this immediately. He was agreeable to it. We all met out in the field, talked about it, we had a set of plans we reviewed, and we moved forward, put together a dollar amount. Well the 1,320 lineal feet of 12-inch ductile iron water line is going to be replaced with PVC because we feel the ground is hot there. There's something causing this corrosion going on. We're going to go with PVC instead.
That cost is approximately $200,000.00. We do have a way to procure that. Our procurement code says we can go to the City Manager in these instances and get his approval to move forward with an emergency purchase like this, and so we did. I was brought in on Friday, we worked through the contractor. We took care of what we needed to do. They pulled locates. We got dollar figures and evaluated it. Monday they were tearing up the roadway and getting ready to install. I wish they all went that fast, but they don't. They're moving forward with that project at this time. We have a question over here.

Johnson: Just a comment. I have to drive that route to get to this meeting today and I could certainly testify that's fully in work. That was the reason I was five minutes late.

Clark: Yes. It's a very congested area.

Johnson: I read about it in the paper. Just totally skipped my mind or I'd found an alternate route.

Clark: Yes.

Johnson: The traffic was moving reasonably well, but you sure had people working the whole route.

Clark: The contractor's moving right along. We're listening to everything he says. If there's an issue we're showing up in the field and handling it right there and then correcting it so that we can keep moving through this project. I have 30 working days for this contract, we could probably hopefully get this done in two weeks, maybe three weeks and be out of that location. We have another question over here from Commissioner Sorg.

Sorg: Yes. The same contractor doing West Court.

Clark: Performing the utilities on West Court.

Sorg: Maybe that's why West Court is going so slow.

Clark: It's my understanding that the contractor is actually, the prime contractor is Morrell Construction. He has subcontractors. Subcontractors working right now on Court. The prime contractor, Morrell is working over on University right now for us.

Sorg: It's been two months there at Court.

Clark: I know there's some things that were discussed. I've heard about them on West Court. Public Works is handling that one. Actually, Public Works project
manager's working both University with myself as well and one of my other technicians. We're all working together to complete this project quickly. As I said, the overall cost of this project, we have it estimated at $200,000.00. We didn't have a lot of time to do a lot more research and underground investigations so we're hoping we're still going to be in that general area, and I think we will ultimately. Any other questions?

Carmichael: I do.

Chair Little: Go ahead.

Carmichael: Well first thanks to all the crews and the supervisors for jumping on a very difficult situation obviously. This was obviously on our radar.

Clark: Yes.

Carmichael: As a problem area. I guess my question deals with past the emergency replacement here, are we going for that and I guess what I'm asking you is there an assessment going on as to whether there's more in that area that needs to be replaced and do, we have exposure like this perhaps in some other areas?

Clark: Chairman, Commissioner. We reviewed this area pretty closely and that's why we felt going all the way to the 12-inch PVC line off to the west tie-in to that and then pulling through and going to the next joint or T, which is over here into Bandoleras Apartment complex was the right move and that's how far we needed to go to take care of this issue in that area. As we go further to the east, we don't have a lot of information about breaks in that pipeline along that area, so we felt that that 12-inch ductile iron pipe is still in fairly good condition in that area. We're going to be looking at it again in the next year or so to start trying to replace that ductile iron pipe as we head east. It does go all the way up to around Locust, I believe, and then it changes materials. We are looking at replacing that.

Carmichael: There's obviously something in the soil in that area that we need to understand.

Clark: Yes. When you're driving, you start leaving the valley a bit and then you start on that rise and we think that might be some of the issue is that the valley material in there or maybe there's, I know NMSU there were a lot of fields there at one time. They've kind of since done away with some of the fields but they're still watering that one field pretty heavily in the corner. It would be water migrating towards that pipe and settling in there somewhere. We're not exactly sure.
Carmichael: Going west from there could be.

Clark: Going west from there we have PVC up to the drainage canal and then you get past the drainage canal and you start heading over to, I think, I believe we have that ductile iron pipe up to Turrentine or just past Turrentine to the west, so that'll have to be looked at as well. We haven't had a lot of breaks on that either. It's just been in this particular area.

Carmichael: Thanks.

**DELILAH WALSH SPEAKING, NOT NEAR MICROPHONE.**

Clark: Say it again.

Walsh: Can you explain how you track or use tracking for breaks in an area?

Clark: Yes. We gather up all the work order information and take a look at all the breaks that we have. Just my past history from here I know of the breaks that have occurred in that area, in those areas actually. Yes, at this point after looking at the pipe and realizing that this pipe is severely corroded from the outside in, then we have an issue with hot soil there. If you look at the upper portion of that pipe, it still has the wall thickness that it came from with the factory. It could be a bedding issue. It could be water at the bottom. We're not exactly sure just yet. Every time we get to it it's saturated with water because of the break. It's hard to determine. Yes, hopefully I'll grab a few pieces as the contractor's going through and I get to take a look at something that isn't inundated by water and see what's going on.

Carmichael: Thank you.

Clark: You're welcome. That's all I have.

Chair Little: All right. Thank you.

Clark: Thank you.

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

6. **Resolutions for Discussion:**

6a. **Resolution 16-17-084B:**

Chair Little: All right. Okay the first Resolution is Resolution 16-17-084B: A Resolution Authorizing Change Order No. 3 to Increase the Contract Amount to Bohannan Huston, Inc., of Las Cruces, New Mexico, for the Talavera High Pressure Gas Distribution and Low Pressure Distribution Network, Phase II, Project No. 16-
17-084 by $28,811.13, for a New Total Contract Amount of $568,619.93. Motion to approve.

Sorg: Move to approve.

Chair Little: Thank you. And a second.

Baumgarn: Second.

Chair Little: Thank you. Discussion.

Clark: Thank you Chairman. Chairman, Commissioners. This third change order basically affects these areas in blue here. The first change order was to break out Soledad Canyon. If you all recall you approved that, they could break out Soledad Road and move forward ahead of the County on their project, their roadway widening project. It caused the consultant to have to now create another set of contracts for that, etc., etc. That was change order No. 1. Change order No. 2 was to split the low pressure portion of that project because there are so many miles of that pipe, we wanted to split the contract and get it bid two different times, get two contractors out there and start installing line that would expedite the project, and that also included purging. That was handled with the contingencies.

Now we have this change order No. 3, which actually affects these blue areas which is the Organ Mesa Developments that are out there and then the Desert Mirage Subdivision. The Organ Mesa Development, when they built those subdivisions, they asphalted those subdivisions. We don't own the right-of-way, the County does, and they wanted us, every time we were to cross the roadway, they wanted us to bore it. Well with the previous projects I've only been about 50% successful on borers, so if we were to try and push a small service line, I can guarantee you we wouldn't get it across. There's just no way we could do that. You hit a rock, they'll come up the asphalt and then I have to fix the asphalt so that defeats the purpose. We took a look at another route and we decided, "Okay we're going to on each side of the roadway with our gas mains," and so that's what we did is we took extensive look at those areas in blue. We're installing gas line on each side of the roadway trying to minimize as much line as possible, but yet serve everybody in those areas.

It turns out to be more work for the consultant. I mean he has to draw more on his design. He has to pick up more services now. We are getting a lot of activity in these blue areas. People want the utility in there, however it just added more cost to it, so now we have to address more landscaping. There are other utilities that are outside the roadway. They're in utility easements. We are going to be within the County right-of-way, which it's, the County right-of-way is stretched out I'd say 80 feet and their roadway is only 60, so then
we have the 10 feet on each side to install line on. Well the County didn't stop any of the residents from landscaping all the way up to the back of the curb, so I have to deal with that everywhere I go as I'm going along there. It adds some more cost to our consultant and it is adding cost to the contract, but in the future it's going to be much easier for our staff to go in there and provide, replace a service or add a service or do what they need to do without having to go through the roadway and disturb the roadway at that time.

We are having a lot of activity in that Desert Mirage Subdivision, the north side of that subdivision Phase 10 is coming in. They're asking about gas service there and we want to extend to that. We're working with them on that to try and get gas to that new subdivision. I think with our new plan we're able to accommodate what the County wants, what the residents want, and what we want out in that area. It's been a collaborative effort. There're still more public meetings that I'm going to drag the consultant in with me on in regard to these three subdivisions. They're very sensitive to what's going on in those subdivisions. I don't blame them. They have very nice subdivisions. They have a lot of beautiful landscaping, and residents want to be rest assured that we're going to leave it the way we found it. That's part of the public meetings I have to have individually with each one of these subdivisions once we get to that point.

I had a second public meeting back in July. We had pretty good attendance again. The question was asked, "Who wants this?" More than half the room raised their hands. They want it. We're still moving forward with this project. That's all I have for this.

Chair Little: Okay. Comments or questions? Ready for a vote.

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

The motion was Unanimously Approved 6-0.

6b. Resolution 17-18-070A:

Chair Little: Next Resolution is Resolution 17-18-070A: A Resolution Authorizing Change Order No. 2 to Increase the Contract Amount by $100,000.00, Plus New Mexico Gross Receipts Tax in the Amount of $8,312.50, to Smith and Aguirre Construction Company, Inc., of Las Cruces, New Mexico, for Additional Leak Repairs and a New Total Contract Amount of $1,961,785.25.

Sorg: Move to approve.

Chair Little: Thank you. A second?
Chair Little: Thank you. Discussion.

Clark: Chairman, Commissioners. I brought this back to you all utilizing that same contract with Smith and Aguirre Construction. An additional $100,000.00 will go towards repairing leaks that have been identified as part of the AMI (Advanced Metering Infrastructure) project. As you're aware, the AMI project had leak detection sensors on just about every other residential meter. There's enough of them out there to show up now and these little balloons are where these leaks are, and our staff has vetted these leaks to ensure that yes, it's a service line leak and it's not a customer leak. Unfortunately, operation staff is shorthanded and busy right now at this time of the year as you can see from the water line break, we had, so they need some assistance. This contract was competitively bid. We had about six bidders on this contract, so I know these bid items are tight and has every bid item I need go and replace service line leaks.

We'll work with staff again to ensure that they did mark the area and then we're going to go in there and replace the service lines and patch back where we had to cut the asphalt to get to the cork stops to do this service line repair. That's the reason for it. Plus, I added in 10 work order repairs possibly, if needed, if staff is still behind. My job is to help alleviate some of those delays. There have been a few water line leaks in the system that are call-ins that they have to get to, and they have to prioritize them, and they can go on for a few days and we don't want that. This is our effort to try and help out staff and alleviate some of the workload. The contractor's willing and ready to go in there and step up.

Chair Little: Okay. Comments or questions? Commissioner Carmichael.

Carmichael: Carl are we seeing any kind of trend from these locations that would lead you to any kind of conclusion in either material, location, contractor who installed it, or whatever?

Clark: Chairman, Commissioner Carmichael. You can see some of these are west of I-25, so that's the old areas of town. It could be, I mean we don't virtually have any copper that I'm aware of. It could be poly line again. It's the older poly line. Maybe it's 15, 20 years old now, time to be replaced. I know the older poly line is not as good as the new PEX tubing we're requiring now. We'll be installing the new PEX. We knew there were leaks. We knew we had 17% unbilled, unaccountable water, so here we are, right. We're getting to that point now that we're going to address them. This is where we're going to catch
up and save money. We have to go fix these leaks and recover that lost revenue.

If you start going east of I-25, well that's some of the new stuff that took off in 2006, prior to that the housing boom and some of it's in there. I would expect some of it in there.

Carmichael: It's going to be good to get all that taken care of.

Clark: Yes, this is totally different from a work order call in. This is from our analytics telling us, "Hey there's a leak out here guys, you need to go address it." That's what we're trying to do.

Sorg: You don't see any of these leaks on the surface?

Clark: Not yet. We sure don't. They could be very tiny. Once we have explored and gone in there to change, they were leaks. They may have been tiny leaks, they were kind of spraying out, but it was still a leak and the sensor picked it up, so we have to address it.

Carmichael: Good project.

Vasquez: Mr. Chair.

Chair Little: Go ahead.

Vasquez: Thank you Carl for this. This is very useful in terms of looking at the cost savings, or potential cost savings from a water leak down a leak or however you might measure that. Will that data be available, I'm thinking about this $100,000.00 change order and how that actually saves us money in the long-term. I'm not sure if we can do that with the current software we have, but it'd be great to find that. In addition to the water conservation that we really need, but the cost savings in quantifying these leaks of what we're saving in the 5-years or 10-years that we would let these go on would be great to have.

Clark: As part of the IGA (Investment Grade Audit) they did talk about they'll be doing some auditing and we should see that unbilled, unaccounted for water go down and that's where your savings comes from, and that's what they identified in the IGA is that's how it's going to pay for this project, and so we should be seeing that. Once the project is accepted, they're obligated to come in and give us reports and let everybody know where we're at in regard to the energy savings.

Vasquez: Okay. Thank you, Carl. Thank you, Mr. Chair.
Chair Little: Okay. Other comments or questions? Ready for a vote on this one.

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

The motion was Unanimously Approved 6-0.

6c. Resolution 18-19-056A:
Chair Little: The third Resolution for the day is Resolution 18-19-056A: A Resolution Approving Amendment No. 1 to Service Agreement 18-19-056 Between the City of Las Cruces Gas Utility and C&M Regulatory Pipeline Consultants, LLC., of Tempe, Arizona, to Perform Annual Consulting Services. This is Year Two (2) of Three (3) for a Total Contract Amount Not to Exceed $159,760.94. Move to approve.

Baumgarn: So moved.

Sorg: Second.

Chair Little: A second. Thank you. Discussion.

Garcia: Good afternoon. Chairman, Commissioners. Lucio Garcia, Deputy Director Gas Utilities. Resolution 18-19-056A, it's the first-year extension of an existing Service Agreement that staff is recommending for approval with C&M Regulatory Pipeline Consultants. This will be an annual contract. The annual cost would be $159,760.94 which includes New Mexico Gross Receipts Tax. The summary of the cost of services that they would be providing are: 1) A comprehensive gas operational audit. If you recall in November 2017 C&M provided an audit for us, at which time they were able to identify 33 findings. Of those 33 findings we were able to address them all and implement procedures that helped address some of those and then corrected those that just needed correction. The second item that we're really hoping to get some assistance from them is Distribution and Transmission Integrity Management Program update. Briefly this is, the acronym for Distribution Integrity Management Program is DIMP. This is one that started back in 2011, which was first initiated by the Utilities here in Gas and required by PHMSA (Pipeline and Hazardous Materials Safety Administration).

Just to give you a summary of these, there are seven elements that are involved in DIMP. One of them is Knowledge of the System, which the operator is required to have. Once you identify that, you also Identify the Threats, which is element number two. Evaluating and Ranking the List, which is element number three. Identifying and Implement Measures to Address the Risk is number four. This is part of the reporting requirement from here forward, is
the Measurement Performance Monitoring Results and Evaluating the Effectiveness. Then number six is Periodic Evaluation and Improvement. Of course, seven is Reporting. This is part of the Annual Report that we submit annually to PHMSA based on these seven elements.

The other that we’re looking for services from them is: Operator Qualifications Module Development, which they’ve done in the past for us and that would finish this up. Number four would be Compliance and Regulatory Consulting Services upon request. Then number five is a Carry Over of Expenses - $14,500.00 from the first year, which was part of a much larger service that they provided during their training and implementation of our O&M (Operation and Maintenance) Manual that changed, how we do our training here from computer-based training to knowledge, skills and abilities testing.

With that I’ll stand for questions.

Chair Little: Questions? Commissioner Vasquez.

Vasquez: Thank you Mr. Chair. This is all operation. Do they do any type of like market analysis or is this all kind of strictly the physical operation and integrity of the system?

Garcia: There is no marketing. This is all physical operational maintenance that’s required by the code, by CFR 192.

Vasquez: Okay.

Garcia: There are certain things. DIMP is actually one of the requirements in the code.

Vasquez: Okay. Thank you. Thank you Mr. Chair.

Chair Little: Anything else? You mentioned a second acronym the entity, to which you file your reports.

Garcia: PHMSA.

Chair Little: Yes.


Chair Little: Thank you.

Garcia: Yes sir.

Chair Little: Anything else? Ready for a vote.
Commissioner Vasquez - Aye; Commissioner Baumgarn - Aye; Commissioner Sorg - Aye; Commissioner Carmichael - Aye; Commissioner Johnson - Aye; and Chair Little - Aye; Commissioner Archuleta - Absent.

The motion was Unanimously Approved 6-0.

7. Old Business:
Chair Little: We’re ready for Old Business.

Dr. Garcia: Ms. Widmer.

Widmer: Mr. Chairman, Commissioners. As Board Chair Little stated, talked about the EPA meeting and so that is going to occur on September 25th. It is going to be at the Brannigan Library. We’re assuming right now it’s in the Roadrunner Room, which is upstairs. Actually, starting between 5:00 [p.m.] and 6:00 [p.m.] is a one-on-one, so the people can go in and actually speak with EPA personnel, just I guess to chat if they want to talk secretly about potential issues out there. Then at 6:00 [p.m.] what they’re going to do is they’ll do a presentation to the public and then open it up for any kind of Q&A.

Then the following day starting at 10:00 [a.m.] until 1:00 [p.m.] is going to be the 7th Annual Open House for the Griggs Walnut Treatment Facility and I encourage all of you to come so that you can get your cups. If you have any questions let me know. We look forward to at least seeing you at the Open House.

Chair Little: Thank you. EPA’s meeting, they’re going to focus on this shallow soil sampling that they did.

Widmer: Mr. Chairman. That is correct. They’re going to go over the whole project, but I think a lot of it is to inform the public on the actual vapor intrusion testing they did and the results.

Chair Little: Okay. Thank you.

Widmer: Essentially they’re going to say, not a problem.

Chair Little: We’ll look forward to words like that. Commissioner Carmichael.

Carmichael: We don’t have any existing or remaining disagreements with the EPA. I know we did at one time.

Widmer: Mr. Chairman, Commissioner. At this point, no.
Carmichael: Okay. Thank you.

Widmer: Thank you.

Dr. Garcia: That's all we have for Old Business Mr. Chairman.

Chair Little: Okay. Well thank you. I'm still thinking about no remaining disagreements.

8. New Business:

Chair Little: Okay. New Business.

Dr. Garcia: Mr. Chairman. We discussed this last time and you should have it in your calendar, but we will need a Rate Review for Solid Waste, a Work Session at 1:30 [p.m.] before you next Board meeting. That should be on your calendars, but we'll remind everybody. We'll have a presentation of what the Utility Customer Advisory Group saw yesterday, and you'll have a chance to ask all the questions. It's both Revenue Requirement and as you know on Solid Waste Rate Design it's not very complex, not as complex as Water or Wastewater so you will see the whole thing in one.

Chair Little: Okay. Thank you. This has already been noticed to us electronically. Any other New Business?

Dr. Garcia: Then well we have our 12th Board Anniversary, so there'll be cake and ice cream.

Sorg: When?

Dr. Garcia: At the October Board. That's all we have for New Business.

9. Board's General Discussion:


Johnson: It just struck me listening to what all had to occur because of those three successive water breaks there on University, that that might merit something to be written up and put out as a complexity of the problem, the intensity, the very rapid response, crews working 48-hours straight and so forth. It probably highlights an aspect of what Utilities do that most people aren't really aware of until it happens and the fact that so many people drive by University now that know that something's going on.

Dr. Garcia: Mr. Chairman. We're working on that. We'll get all that information out.

Johnson: Good. I think it's really merited.
Chair Little: It's both a lessons learned opportunity and accomplishments recording opportunity.

Johnson: Right.

Chair Little: This kind of thing makes us all proud of where we are.

Johnson: The factors of the cause of the corrosion not being known but you still have to react to it whether you know what caused it you can't fix a corrosion problem. Well what do you do to mitigate the problem?

Dr. Garcia: One thing Mr. Chairman and I think Carl answered part of, we're going to, this pipe we have talked about it, it was in our timeline, but as you know ductile iron pipe is rated for close to 50 years. It's 36-year-old pipe. So, it is premature failure. Now that prompted us that we're going to have to be looking at least getting out of the valley floor sooner than later towards the east. We'll be discussing this project in the fiscal year 2021 Capital Improvement. Not just forget about it now because what if we start having leaks at the rest of the valley floor area. We don't think, we haven't had a history, but we will be looking at that. As you know we're replacing other projects. Did we anticipate this bad failure? We didn't because we're addressing issues like Valley Drive where the utilities are 60 years old, so we know those are at the end of its life. This pipe is not at the end of its life or shouldn't be and you could see it from the thickness is 0.28 inches and you have the thickness on top of the pipe and the pipe is clean inside. It is the external corrosion at the bottom of the pipe that is very troubling.

Chair Little: Commissioner Sorg.

Sorg: Yes. There's no warranty on the pipe then.

Dr. Garcia: I wish.

Sorg: Does the pipe have a coating on it when it was first installed?

Dr. Garcia: Internal coating, yes. On the external I don't think there's any coating, doesn't appear. Normally we don't because you know with proper bedding and proper, if you don't have corrosive soils. We had ductile iron piping, in fact Carl how old was the pipe, can you go to the podium. We just recovered some ductile iron pipe that some of us installed in our younger years on the east side.

Clark: East side of town.

Dr. Garcia: East side of town and that pipe was in great shape.
Clark: Different soil, sandy soil, sandy gravel soil, and it looks like when it first went in the hole.

Sorg: Does this have clay around it?

Clark: Yes. That's valley clay down in that area.

Dr. Garcia: Anyway, I think we're going to be looking at the rest of this area and obviously it's risen in the level of the Capital Improvement Plan.

Sorg: That kind of a hole it must've been a lot of water going down the street.

Dr. Garcia: Just separated and broke yes.

Sorg: I was going to make another comment about some of the PR work that Suzanne is doing in the publications and whatnot hearing them and reading them of course. Awesome job. Very good. Yes. Good information I share with my constituents.

Michaels: Thank you. We do have already two to three stories planned about University water main break. Dr. Garcia...

Dr. Garcia: Can you go to the mic and make sure we get your comments straight?

Michaels: Suzanne Michaels, Public Outreach. We do already have three stories planned regarding the University water main break. One Dr. Garcia already has in his e-mail today, we're just waiting for his approval. It'll be in the Sun-News on Sunday. That'll be the first one. The information that Adrienne gave us today including the supervisors, we would love to feature them to be honored for their really good work. We're on it.

Sorg: Good.

Michaels: Thank you.

Chair Little: Thank you. All right, anything else? I have my annual sermon.

Sorg: Shall we kneel?

Chair Little: No. Sit up straight in the pew and listen. Next month we will be appointing a Chair and a Vice-Chair for the Commission for the coming year. Each year I do invite each member of the Commission to consider whether it's their time to step forward and serve in either one of those roles. This year I would like to add to that and ask you to consider the wisdom of having the same face here in the center of the dais year-after-year. We will look forward to hearing from
someone in October. I'm not threatening to go away. I am asking that you seriously consider the opportunity and the obligation. That's all I have.

10. **Next meeting Date:**
    **a. October 10, 2019.**

Chair Little: Our next meeting date will be October 10th. We do have a scheduled Work Session at 1:30 p.m. The Regular Meeting will begin immediately following the Work Session. Cake and ice cream will begin immediately following that. We look forward to all three.

11. **Adjournment:**
Chair Little: I would entertain a Motion to Adjourn.

Baumgarn: So moved.

Chair Little: Thank you. And a second.

Sorg: Second.

Chair Little: Thank you. Those in favor say Aye.

Meeting was adjourned at approximately 4:10 p.m.

William M. Little  
Las Cruces Utilities Board Chair  

Date 10 Oct 2019