

Capital Improvements Advisory Committee

Minutes for the Regular Meeting on
Thursday, February 23, 2023
1:30 p.m.

Utilities Center, 680 N. Motel Blvd.
Board Room 225

Committee Members Present:

Don Curnutt, Chairman
Mark O'Neill, Vice-Chair
Steve Newby, Committee Member

City of Las Cruces (City) Staff Present:

Denise Alejandre, Administrative Assistant
Melanie Castañeda, Office Assistant Senior
Abner Gomez, Rate and Economic Analysis
Manager
Sean Mullen, Police Deputy Chief
Alma Ruiz, Senior Officer Manager
Jill Summerlin, Utility Rate Analyst
Jennifer Valdez, Office Assistant Senior
Adrienne L. Widmer, P.E., Utilities Director

Others:

Becky Baum, RC Creations, LLC
Cassie McClure, Public Outreach Consultant
Greg Shervanick, Constituent
Nanette Winter, Legal Counsel
Julie Herlands, TischlerBise Consultant

Chair Curnutt called the Regular Meeting to order at approximately 1:30 p.m.

1. Conflict of Interest:

Chair Curnutt: What I would like to do is first off confirm whether there is any Conflict of Interest by anyone in attendance; that is either a member or internal staff representative? We will start up here at the table any Conflicts of Interest here? Anyone in the audience? No Conflict of Interest.

There were none.

2. Acceptance of the Agenda:

Chair Curnutt: We will move on to the second item, Acceptance of Agenda. Any comments on that? Do I hear that we Accept the Agenda as is?

Newby: So, Made.

O'Neill: Second.

Chair Curnutt: All right. All in favor, say "aye."

Newby: Aye.

Curnutt: Aye.

O'Neill: Aye.

The Agenda was Accepted Unanimously 3-0.

3. Acceptance of the Minutes:

A. Regular Meeting on January 26, 2023.

Chair Curnutt: We will move forward then to Acceptance of the Minutes. Any questions or comments or concern over the minutes of our last meeting? That was the 26th of January. Any comments or?

Newby: Mr. Chair. I corrected; I had by far the most issues. I am leaving this on, I will try not to put my tongue in the right place when I talk. I see her smiling over there, going sure.

Chair Curnutt: Okay, do I hear a Motion to Accept the Minutes?

Newby: So, Made.

Chair Curnutt: Okay, a Second.

O'Neill: I better not. You make the second because I was not here.

Chair Curnutt: Okay. I will Second. All in favor of accepting, say "aye.

Newby: Aye.

Curnutt: Aye.

O'Neill: Aye

The Minutes were Approved Unanimously 3-0.

4. Old Business:

A. Utilities Development Fee Study Presentation by Consultant Julie Herlands

Chair Curnutt: At this time, we will move forward with Agenda item number four, Old Business. First item of discussion there is Utilities Development Fee Study Presentation by our consultant. Do we have someone ready to represent the consultant and the Utilities Department or? Yes.

Gomez: Good afternoon, Chairman and Commissioners. My name is Abner Gomez, Rate and Economic Analysis Manager. I am just here to present our consultant, Julie Herlands. She is with TischlerBise to present to you guys the Las Cruces Utilities Development Impact Fee Update. She will be the one presenting for you. At the end of her slides, she does have a time for comments and questions for you. At this time, I will hand it over to Ms. Julie.

Chair Curnutt: Question right quick. You mentioned that she will turn time over for questions at the end. We go through it, then we will come back for questions. Is that what I understand you said?

Gomez: Correct. The slideshow allots time for questions and comments at the end of it all ...

Chair Curnutt: At the end.

Gomez: ... When she goes through it all.

Chair Curnutt: Okay. Thank you.

Herlands: Thank you, Abner. Good afternoon, it is good to be here with you today. My name is Julie Herlands. I am the Vice-President with TischlerBise. It is good to be back. I recognize at least one individual, maybe more, from the Committee. Why I am here to present the Utilities Development Impact Fee update. We will go through, there is quite a number of slides, a lot of the detail, but it follows along with what is in the report, what is in the study. Happy again to take questions as we go through. We will talk about Water and Wastewater separately. It kind of follows along the same path with this agenda, current levels of service, establishing service units, looking at growth and demand, the infrastructure components that are part of the Impact Fee calculation, the draft Impact Fee amount, and then what kind of projected needs and Impact Fee revenue would be expected if growth continues to occur as we have projected.

Just before we start, as a way of introduction or sort of context about Development Impact Fees themselves, what are they? They are a onetime fee payment for growth related infrastructure. It is for additional capacity in the system. It is not for maintenance and operations. While it generates revenue, and it is a charge, it is not a tax. It is part of a land use regulation. It is tied to development and growth and that is why we go through the study. That is why we include land use projections as part of the analysis.

For an Impact Fee three requirements need to be met, that the need for the infrastructure is generated from the growth, that the growth that is paying for the infrastructure will receive a benefit ultimately in additional capacity in the system, and that new growth is paying their fair share, that it is proportionate; not paying more than their fair share or more to generate additional revenue beyond their impact.

First, we will talk about the water side of the equation or the fees. Again, a lot of detail not meant to be reviewed at this point with this slide, but just to provide sort of the steps to get to the fee amount. What we need to do first is to establish current levels of service and usage. Given current customers, current usage by type of land use, we can get to a residential usage of 286 gallons per day of water usage. Using that figure, we calibrate the meter sizes to the three-quarter inch meter and come up with service units that are then

used to calculate Impact Fees by meter size. You will see this again later in the presentation.

Again, we want to establish what is our current state of affairs, current existing levels of service. Here are current levels of service, so this is Fiscal Year 2022 (FY22) with again actual data from Las Cruces Utilities (LCU). Then again, I mentioned that this is tied to growth, tied to land use, tied to changes in the needs from growth or water needs from growth, and so what you will see here is again detail on projections. As the City grows in residential development and nonresidential development, there are additional customers, those customers have additional demand for water usage, and what could that look like given these set of growth projections.

Now, this is not meant to be a forecast necessarily, but this is meant to say, as you continue to grow, assuming same usage and levels of service, there is a need for additional capacity for water usage. Then ultimately, we are tying that back to those improvements to ensure that the capacity is available for projected demand in the future. Again, some other sort of points of information and identification of current state of affair. Again, for Impact Fees requirements to establish what are your existing conditions, and this slide and this information is in the service of that. What is the current demand? At a peak level what is that usage? Then does the system have sufficient capacity to handle that, as well as looking at the distinction between the water supply capacity and the firm water supply to establish that utilization factor in the system. Again, assuring that there is sufficient capacity today to serve the demand.

This next set of slides are the components that are included in the Impact Fee calculation. We kind of think about it in terms of getting the water, distributing the water, getting the water, treating the water, and distributing the water. First, is supply, and what you will see here in kind of varying degrees are a series of cost estimates. This one is current costs for both the construction, the one time, as well as interest costs, total costs, and then attributing that to the system itself, what kind of capacity will those improvements provide getting to a cost per gallon of capacity. These factors then are used in the Impact Fee calculation.

Then the next cost component, the next infrastructure component is transmission lines. You will see in some of these slides where we have a base, a cost estimate from previous study in 2019, with an escalator factor to get to 2022. Again, attributing this to the demand and the future, in this case It is per EDU (Equivalent Dwelling Unit) and getting a cost per EDU for transmission lines. water valves, a cost estimate, an inflationary factor applied, and ultimately a cost per EDU. Same for booster pumps, not to be repetitive but ultimately get to a current cost for the system and the cost per EDU, equivalent dwelling units, getting it down to that factor.

Water storage is the next component. This is kind of two parts, the first two on the left-hand side to show the capacity and the gallons of storage, gallons per equivalent dwelling unit for storage, and then using those factors to get to ultimately the cost per gallon. I believe finally the water development cost; this is a project for the Zone 1 Interconnect Project 3 South-Phase B. This is the current costs from 2024, and what amount of demand that this project would serve in the future and ultimately getting a cost per gallon dividing one by the other. I spoke too soon, one more. Water support facility which is building. This is the Water Quality Lab. This is allocated to both water and wastewater based on usage. This is 30% allocated to the water part of the program. This is included in the Water Impact Fee. This is really a cost recovery, this building was built, it is in place, and this is intended to serve over the future. There is a 20-year demand here getting to a cost per gallon of capacity given those two pieces of information.

We also include, we call a Debt Service Credit in the calculation. This is to account for portions of the water programs existing debt, where ratepayers will also pay too, this is to avoid duplicate payments, so that water rate payers will pay to retire debt. We want to take out that portion from the Impact Fee amount to avoid a double payment situation. This is a summary of what is in the report, there are multiple sections, there is 100% of the capacity for the Jornada water system, and then 30% of other capacity improvements given what the debt was used for. In any case, this is the summary, and then a cost per gallon of capacity ultimately that we are going to discount from the fees.

Finally, putting all of those pieces together, we get to the proposed draft Water Impact Fee. You will see a repeat of each of those infrastructure components, and the cost per gallon of capacity or the cost per EDU that has been calculated. A summary, the water cost, capital cost per equivalent dwelling unit. The credit that is subtracted off of that gross cost to get to the water capital cost per equivalent dwelling unit, which that equivalent dwelling unit is a single-family unit based on the usage for a single-family unit. That is \$2,716.00. You will see that if this were the summary here before we get into the by meters, for a single-family unit meter size of five-eighths or three-quarters, the proposed water fee of \$2,716.00. Then you will see here too, the current City policy of allocating a portion to the builder and a portion as a customer surcharge at 50% each, splitting that in half.

Then this is the fees by meter size. You will see we start here, this is the calibrated amount, the \$2,716.00 for a single-family unit. Then the relationship between that unit and the capacity flows for each of those other units ultimately get to the fee schedule by meter size.

There is a current fee in place today. The difference between today's existing fee, which is \$2,125.00 per single-family unit or for a three-quarter or five-eighths inch meter. How is that different? What is the increase here? You will see here in the orange shaded area at the bottom that the total increase is \$591.00 and then allocated 50/50 by policy, the builder and customer

surcharge, \$296.00 to each. You will note here that I just have indicated here and throughout the report that is a City policy in terms of allocating the fees to the builder, as a customer surcharge. This is not an Impact Fee requirement so to speak. It is not a recommendation of the consultant. This is just current City policy you know which could be changed in the future through other work and discussion on the City's part.

Then also included in the report, and just by way of summary here, we look at taking the projections that we have done on future growth, on residential and nonresidential. What does that look like in terms of potential expenditures in the future? Again, if the City continues to grow, customer base grows at the rate that we have projected, what would those costs be? It is about \$18.7 million of expenditures over 10 years. Then comparing that with the Impact Fee revenue, again using those same projections. We are projecting a 10-year revenue from Water Impact Fees about \$16.7 million with that shortfall of about \$2 million and that is due to the credit that we have included in the calculation. The bottom line there is there will be a small shortfall due to the credit that we have included in the calculation. Okay, I can stop here maybe and take questions on the Water, is that okay, yes, and then we can move to Wastewater. - It is very similar with some obviously different numbers. I can stop here and take questions on the Water piece if you would like to do that Mr. Chairman.

Chair Curnutt: Does anybody have questions?

Newby: Go back to page five. Just a couple of questions. San Pablo MDWCA is, what is that exactly? Commercial?

Herlands: I am going to defer to Utilities.

Summerlin: San Pablo is ...

Herlands: Can you give an answer?

Summerlin: I do not know the answer. Okay. I am sorry I can find out.

Newby: Okay. That is no problem. On, you just go to slide six. On the top there, average gallons per day per EDU, it is 286. On page eight different number that you used and that is true throughout, 286 is used. And a number just before (*inaudible 0:23:06*).

Herlands: Okay. Can you point me to the eight?

Newby: I am not finding it right now.

Herlands: Okay. Just ...

- Chair Curnutt: You have got 286 here and this equates here, and I think that where you get your numbers. Look at this chart and you add this number and this number. This does not match what ...
- Newby: He is talking about on page eight. And your total customers on the baseline 38,536, far right for a totally used ((*inaudible 0:24:14*)).
- Herlands: Okay. The 38,536 is total residential and nonresidential combined which I do have that residential and nonresidential there. Then EDU is calculated through dividing by a blended average, a weighted average between residential and nonresidential I believe. The 286 is used for the residential usage, so 286 per day and that will get to average gallons per day for residential, but then we are also adding the gallons per day from nonresidential so that ...
- Newby: That is why it goes up.
- Herlands: Yes, so the green area is combined residential and nonresidential that is why.
- Newby: Okay. On page nine, dumb question, Estimated Firm Water Supply. What is that?
- Herlands: It is, and I am not an engineer, I only do math and some layout, I am a planner and an economist. It is a reduced amount. I mean, it is an assumption on what is available to be used, available at any given time that it is like our capacity number is you know the max, , and then the firm water supply is basically a reduced. We are not assuming we have, you have access to all 53 million gallons at any given time. There is a factor that is assumed as part of water planning. That is part of how the master planning, you know what is included in the City's master plan and planning for the future. You just cannot count on 100% of that capacity availability.
- Newby: Thank you. On page 10, Water Supply Cost. On fourth line down Well 64 comes in at \$3.52 a gallon per day, which is three to four times what any of the other ones are. Just wondering why that one was so expensive?
- Herlands: Yes, and I am, we can get you specifics back on that one. I know I probably had the same question, and I probably have something in my notes to that effect. It could be a matter of you know topography and you know distance and all of those kinds of things. I am sure we can get a specific answer on that one.
- Newby: Okay. On page 11, this is true of the next three or four pages where some of your footnotes talk about the City of Las Cruces Water and Wastewater Study, 2019, 2013 update to 2019 dollars, and you updated again 2022 dollars Engineering News-Record (ENR). I presume between the previous studies you just updated those percentage per year and then worked the 2022 Engineering News-Record for Dallas. Is there anything closer to Las Cruces than Dallas?

- Herlands: The Engineering News-Record has very limited number of cities that they track. They have maintained the same list for I want to, I do not want to misspeak, but it has been a very long time to be consistent with their index because they use it to aggregate to their national index. No, the answer to your question is there is not a closer City. This was in terms of the regional reach.
- Newby: Some cases and other pages use numbers from Utility Department. Do you ever look into adjustment to the, in this case is 2022 change versus what has actually been paid. With a great database at the Utility Department because they know to the penny how much that 12-inch waterline cost etc.
- Herlands: Right.
- Newby: Is there ever any correlation between what the actual cost here in Las Cruces is versus the ENR?
- Herlands: Yes. Wherever we have the local data, we are going to use the local data. Where we need to we are working off of a slightly older cost, we will use an inflationary index. Yes, we have been you know again may not have it in the notes but it is certainly within the model of the percentages, you know how does it look? This was truth tested if you will, in terms of those increases.
- Newby: You did your estimating engineering these record three times a certain percentage, and then you went back to see how those numbers correlated what is actually the cost.
- Herlands: Correct. Where there is data available. Yes.
- Newby: Okay. That is all I have.
- Chair Curnutt: Okay. Committee Member O'Neill.
- O'Neill: Yes, I have a couple of questions. Follow up to Mr. Newby there. You have set an increase and you based it on what projected needs are because of the growth of the City basically. You have looked at what it is, what we paid last year, what was paid, and then you increased it according to what, and you have it here about growth and so forth, but you have actually calculated what the needs are like new pumping stations, new, that type of thing and that is where the increase comes?
- Herlands: Well, the increase comes from, it depends on each component, but the increase generally is from the cost increases. Because a lot of these are based on sort of the current level of service, the current cost to provide this infrastructure per gallon of capacity or per equivalent dwelling unit. Really the increases that increase for the Impact Fee is more, and we can get you that percentage, but mostly attributable to the increase in the costs themselves, the cost of the infrastructure.

O'Neill: Okay. You have also looked at our work together with the City to look at future plans to see what the projected need in the future, right?

Herlands: Yes.

O'Neill: As part of the.

Herlands: Yes, sorry to interrupt. For some of the components, not every component has, all these components are going to need additional capacity, infrastructure components, you know the line items, the supply, the transmission, etc., need additional capacity and there is a cost associated with it. Some of them there are plans that are happening you know that are in the Capital Improvement Plan (CIP) or that have just been completed where there is excess capacity and that we are building for that capacity. They may just, you know a CIP as you all will know It is lumpy, you know so you do not get every project in there every year. There is a kind of you know a progression of those projects. Some of them, yes, like the one that is coming up, this one, the water development cost, this is a planned cost, this is a planned project to accommodate additional capacity needs due to growth.

O'Neill: Does Utilities have a reserve amount of funds or is that strictly the general fund? I mean, do they have a reserve amount that they keep for Utilities in case of emergencies and that type of thing?

Gomez: Mr. Chair, Commissioner O'Neill. Yes. We do have a contingency fund, specifically for water projects, along with their own Impact Fee fund that is completely separate, and it has its own balance for projects. The operations does transfer occasionally into that contingency or emergency fund for stuff that comes up that is unplanned or unprecedented.

O'Neill: And how big is that fund?

Gomez: Right now, I cannot think of the number right off the top of my head, but It is maybe around \$250,000.00. We do not carry a large amount in that fund because It is really just for emergencies.

O'Neill: Right.

Gomez: Something that operations cannot pick up. That is why we do not carry large balances in those funds.

O'Neill: Okay. Couple other questions. All of these, you have different pump stations in different areas, obviously, and booster pumps, and water valves. Do each one of those specifically have a limit? Like they have, you show capacity but where are they at compared to the capacity? Do you keep track of like how soon They are going to be, where They are not going to be operable anymore because the capacity is used up and they have to add another one? Is that taken into account?

- Herlands: This may be a question; I will answer in terms of the methodology that these are the pumps and infrastructure that is serving the development today. That they are providing that current level of service today for those types, pieces of infrastructure that do have excess capacity, we have accounted for that in terms of the usage. Specifically, I do not want to speak specifically, on behalf of the Utilities in terms of individual booster pumps or pump stations or you know the individual pieces, but this is establishing what is currently being utilized and providing service to development in the ground today, and additional growth will require a need for additional capacity. There maybe you know within each one maybe there is a little bit of fluctuation, but again I do not want to speak for Utilities so I will turn it over to Abner.
- O'Neill: I am just wondering if they keep track of the difference of when it reaches a certain level that they have to have an improvement or a new pump station for that area that serves a certain group of an area in town or certain amount of homes or businesses or whatever it is, right?
- Gomez: Yes, Mr. Chair, Commissioner. Yes, so when we look at capital projects, every program supervisor looks at what is going on in that specific area. If they can tell either by preventative maintenance that some pumps or some valves are reaching capacity, they will put a project request basically together to put money aside to address those sites. They look at that every single year when we prepare our budget. This is something that is constantly being monitored just through day and ay what they can either measure through our SCADA (Supervisory Control and Data Acquisition) system, or through what they have seen the system can handle out on the sites.
- O'Neill: Each project manager, and there is one for each one of the stations, you have one, or one for each?
- Gomez: Yes.
- O'Neill: One of the stations and the valves, I guess.
- Gomez: Yes, so for example.
- O'Neill: The booster pumps, of course.
- Gomez: We have, every supervisor addresses something particular. We have one supervisor that addresses all the tanks and the wells. We have another one that addresses all the transmission lines. Another one that does all the valves and meters and hydrants. They all have their own piece of the infrastructure. They all focus specifically on that specific ...
- O'Neill: That is for overall City not for a certain area.

Gomez: No, that is for all Utilities.

O'Neill: Just to understand.

Gomez: The whole City limits, correct.

O'Neill: Thank you. Does your company get information from them as to where they are at on their capacity and when you are figuring the Impact Fees for those areas?

Herlands: Right, so each individual, so those are the discussions we have on each of the individual components about, is there excess capacity? Is this serving today? You know is this the system's again current level of service, meaning you know there is not existing capacity. You will see some of our infrastructure components are spread over, you know so for instance this one I keep coming back to, but this planned improvement is anticipated to have capacity for 20 years. This is slide 15. We have allocated this cost to growth over 20 years. It does depend on each, you know it is not an all or nothing proposition. It is each component that is analyzed individually that says, okay, where are you today? What is you know new growth, again It is new growth coming in, you are going to need additional capacity, or this improvement, this system today has enough capacity to serve x into the future.

O'Neill: This recommended Impact Fee will serve for how many years? This fee?

Herlands: Well It is, we typically ...

O'Neill: Every year you do this or no, five years, right?

Herlands: Yes, I mean it is three to five years is our typical recommendation. We do recommend that our clients do an annual increase, you know an ENR cost increase to keep up with costs. This has been especially relevant in the last year and a half. An actual redo or relook at the fee and the assumptions included in the fees, typically three to five years. I think there might be a policy in place here.

Summerlin: Four years.

Herlands: Four years, yes, I think there is actually, it is written into the ordinance.

O'Neill: Four years to keep the same Impact Fee.

Summerlin: We review it every four years.

O'Neill: Every four years. Now we are increasing it from last year, right? Or is that the fee been in...

Summerlin: From the 2018 study.

O'Neill: That has been from 2018. Okay.

Summerlin: It was implemented in 2019.

Herlands: Right. Yes. I think the years are a little, yes, I mean there.

O'Neill: Thank you.

Herlands: Study started in one year and you get to you know upgraded updated costs.

O'Neill: I would not have to ask all the same questions for each Water, you know Wastewater. I am just you know trying to piece it together.

Herlands: Got you.

O'Neill: I do have one other question, it is a little bit different. I am just curious. We are talking about water storage on page 14. If you have a water storage, wait that is not what I was looking at. Yes, a water storage facility, you have a couple going back to 1956 and 1962. Is there consideration on those type of things? I know that would be very expensive to put new water storage, but are they falling apart by now or are they, they are able to maintain them? Or where are we at on that? Or is that considered in your fees?

Gomez: Chairman, Commissioner O'Neill. Yes. Even though these sites might have been built in the 1960s or early 2000s, we are always, at least once a year rehabbing one of these tanks. These are really, really expensive tanks. Now, this particular year we are only rehabbing one because of the cost of everything now. We are always ...

O'Neill: I am sorry I did not mean to interrupt but replace or repair?

Gomez: Repair.

O'Neill: Repair.

Gomez: Yes, most of these we just repair to just to get them you know functional for a couple more years. We are on a cycle where we are trying to stay on top of it as much as we can. Because of costs we are limited to right now about one, two if all goes well, per year. That is only in the non-busy season that we can shut them down. They are not falling apart.

O'Neill: Okay, so they are, obviously they need to be operational. Is there talk or have you received word from the City that at some point they are going to have to put a new storage tank in somewhere as they are growing somewhere or not? That is not in the immediate future.

Gomez: Chairman, Commissioner O'Neill. The City of Las Cruces does have several growth plans. There is called Elevate Las Cruces. These are fairly new things

that have been implemented. We are trying to work those into our capital improvements to basically work off projected growth and projected areas that the City wants to work towards elevating or improving. If we feel in conjunction with other departments in the City that we can work along them and install some kind of either it be a tank or kind of well to address growth, to address those improvements, we will address them at that time. We are working, not just us individually, but with the entire City's overall scheme.

O'Neill: Hand in hand with them to know what ...

Gomez: Correct.

O'Neill: What the plan is. Okay. Thank you. That is all I have.

Chair Curnutt: Well, I have a couple of questions. I ask you to bear with me as I ask these, because some of them may be a little bit rudimentary so again I apologize for that if that is the case. If we can start on page five. Under the first table, it is not numbered so I will just have to say the first table, second column articulates Average Customers Meter Count. When that is average, does that tell me that if I look at residential that they take an account at the beginning of the year, how many meters they have residential, and they take a count at the end of the year and average them? Or do they just pick a year, a point in time, July 1st and look at the number of meters they have and say that is the average for the year or is that just a fixed number?

Gomez: Mr. Chair. Our rate analysts provide our revenue reports every single month. In that report, they know an exact account of how many customers there are out there. Then it just averages out by month. As you add a month it creates that average, and it is just gross, but it is always on a monthly basis.

Chair Curnutt: Okay. All right. Thank you. On that same table, and I do not know if you want to keep your, take a seat Mr. Gomez. I am not sure who is going to answer or not. You may want to stay up there as well. On the last column there it says average gallons per day, and that is actually average gallons per day per customer, I assume. When I started working these numbers, I had to play several options before I came up with that. That is per customer.

Herlands: Yes. That should be, I do not have my calculator but should be the average gallons per customer divided by the average number of customers.

Chair Curnutt: Okay. Thank you.

Herlands: Yes, per day. per customers.

Chair Curnutt: Going between that table and the next page, on page six, It is articulated there again the number of persons per household, which is a good number to have, average gallons per day per EDU. Could you explain to me, and I heard you

talk earlier about conversion numbers to get the EDUs, but what exactly is an EDU?

Herlands: Right. The EDU, it stands for Equivalent Dwelling Unit, and I do see that It is not spelled out here so that is on me. Equivalent Dwelling Unit, and basically it is used often in utilities to set it to the usage for an average single-family unit.

Chair Curnutt: Okay.

Herlands: Those two are synonymous, single-family unit, equivalent dwelling unit, and we are saying that is the starting point if you will for a meter.

Chair Curnutt: Okay. When you go to look at commercial then you equate that ...

Herlands: Correct.

Chair Curnutt: To the number of individual units, and it puts them all on the same line.

Herlands: Correct.

Chair Curnutt: Okay. All right. Thank you. I know that you answered the question for Mr. Newby a while ago, but on page eight, the way you get to, we have the total number of customers on the baseline of 38,000, and you have the residential, which means that we just have that 33,796, and then we have the nonresidential. We add those two to come up with the 38,000.

Herlands: Yes.

Chair Curnutt: Then to get to the EDUs we have in that 59,000 over there on the far-right column, 33,796 of those EDUs are from residential, and the delta is for the commercial transition, is that what you are saying?

Herlands: It should be the 59,468 is basically the 17 million gallons per day divided by that 286. What I do not want to speak out of turn here, maybe I have a footnote on here, on the residential customers, I just do not recall off top my head, but I can find it in the report, of multifamily, where multifamily, where apartments are included. Actually, no, those will be single-family detached. Yes, so in any case this is the total EDUs is calculated by saying you know of that 17 million you are dividing it by that 286 to get to like we said how many of those, you know what does it equates to a single-family unit.

Chair Curnutt: Okay. All right. I can understand how you are saying you got to that, maybe I do not understand all the pieces to get to that point.

Herlands: Right. No, and I think your initial question and getting to it is you are right the 33,796 is that single-family units, period. The difference there is the EDUs, between 59,000 minus 33,796, is the net new, the other EDUs.

Chair Curnutt: Okay.

Herlands: Everything else, nonresidential and other.

Chair Curnutt: The way I could get that is just subtract the 33,000 from 59,000 and then divide that by 4,700 and come up with some conversion ratio.

Herlands: Yes.

Chair Curnutt: Okay.

Herlands: Yes.

Chair Curnutt: All right. Moving on. Thank you. Again, Mr. Gomez may address this, on page nine we have a peak factor. Is that peak factor of two, it refers us to a master plan? Is that peak factor of two something based on historical data between what your normal run is and what the peak demands you have? Is that how you generate that or? Again, I am not sure who answers that question.

Herlands: Right. It is drawn from the math, the assumptions in the master plan, which was done by an engineer, you know an engineer's looking at the whole system and those sets of assumptions. You know not again I do not want to speak for them or the report or the plan, but you know there is an assumption there. Again, utility planning you know there is a whole series of assumptions about what is you know the usage, what does that really mean, you know the max day usage, what is available, what is really available, you know all of those kinds of things. So, a peaking factor of two is you know an assumption about that need.

Chair Curnutt: Okay. Well, I know that for example, in residential you have a peak demand at six o'clock in the morning or something like that, but if you have large industries, I do not know, I assume it is later in the day you have your peak. I do not know if we look at, when we look at this peak factor of two, is that on a daily basis, an annual basis, or how do we, I am not sure how they generate that and maybe I need to go to the master plan.

Herlands: Right.

Chair Curnutt: Where it is articulated, and I can do that.

Herlands: Right. Again not speaking for the plan or the consultants who do the plan, but it is likely based on you know past data, looking at those very things, you know if you are looking at the time of use, you know those, you know the ebbs and flows so to speak, and all of the users on the system, residential, nonresidential and what that looks like. You know as well as professional judgment and sort of standard industry practices. You know again, not

speaking for and having you know the exact sourcing for that factor, but my assumption is that is what went into that.

Chair Curnutt: Okay. Thank you. Again, I know that Mr. Newby asked a question on this next item on the Estimated Water Supply Capacity. You probably answered this, and I just did not hear all the answer so I am going to ask again. When we say that we have an estimated water supply capacity, does that say what you are currently capable of producing in the existing system or does that mean that you have water rights that if they are all developed your maximum capacity includes all of that water rights? I am not sure whether capacity means what you are capable of pumping right now or whether It is what you have the capacity to pump if you punch enough wells to max out?

Herlands: I am going to defer to Abner on this, but it is my understanding it is currently not you know, current infrastructure that allows to provide that amount of capacity today. Yes. We would not, because what we are doing is establishing current levels of service, having projects that need to happen, does not, would not necessarily reflect our current level of service.

Chair Curnutt: Okay. If I am hearing you right, what you are saying is, is that is based on the number of wells you have got, the storage you have got, the pipe sizing that you have got, etc. What you can pump through the system with the way the system is right now?

Herlands: Yes, at this point. Correct.

Chair Curnutt: Thank you. On the footnote there, 80% production capacity. Is that just a number again 'that is a recommended number that we use?

Herlands: Again, I think 'it would be the same answer as the peaking factor response in that you know there may be you know again, more to it and industry standards actually use you know actuals, actual data, but that would be you know a question for the master plan.

Chair Curnutt: When I look at the table on page 10, and this question is kind of going to roll into some of the other issues. When we look at estimated construction costs and roll over estimated total costs and what have you on that, on these different wells. We are looking at future costs, is that correct?

Herlands: They are in today's dollars.

Chair Curnutt: Future costs in today's dollars. Okay. Some of these wells, are they, Well 40, 70, and 71 are not there and so we are drilling, this is telling me we are drilling new wells, putting new pump stations. Is that what that is telling me?

Herlands: Yes. That is correct.

- Chair Curnutt: Okay. Well 64 and Well 72 is already in existence. Is that right? Are we putting new pumps on or what is the improvement that we would be looking at?
- Gomez: Mr. Chair. For this exact specifics on those sites I would have to pull the actual project scoping report to tell you exactly what is happening. For most of these, they are either drilling deeper.
- Chair Curnutt: Okay.
- Gomez: Redoing the screen and redesigning it.
- Chair Curnutt: The screen, because that is maintenance, that is not new.
- Gomez: Yes, so again I do not know the exact specifics but as far as the question that Commissioner Newby asked about Well, 64, I just did a quick glance to try to find why the cost was higher. One of the factors is that for that particular well, they are going to add more transmission line to that particular one. That is one of the factors. The other ones is not quite, they are not you know adding, installing new lines, or I am not sure the length of the lines or the size of the lines, but they are not only improving that well, but they are also installing new lines for capacity.
- Chair Curnutt: Okay.
- Gomez: That is one of the reasons why you will see that number is higher than the rest of them.
- Chair Curnutt: Okay.
- Newby: On the next page, page 11 under water transmission lines, transmission lines that you just said will be added to Well 64 are not included. You got me confused.
- Gomez: I am sorry.
- Newby: I said you have us confused.
- Gomez: The Well 64, this is something that right now is barely, yes Well 64 it is not, it has not even taken effect yet. I think right now it is under design. It is something that we have not you know incurred any expense for the actual material or the actual pipe itself. This transmission line, this is current, what is in the ground now.
- O'Neill: In Well 64 and 72 there is no drilling and pump station there are or there is a drilling and pump station there? Or It is just not there yet.
- Gomez: I am sorry can you repeat that. Well, what? Which well?

- O'Neill: On these wells that are, on Wells 64 and 72, okay it does not say drilling and pump stations, so I am wondering is there a drilling and pump station at those wells yet?
- Gomez: I believe these will be brand new wells.
- O'Neill: This is just the beginning of these wells?
- Gomez: Yes.
- O'Neill: the costs are still figured in.
- Herlands: Yes, and we are using these ...
- O'Neill: They are not even operational yet.
- Herlands: We are using these to establish a cost per gallon capacity in terms of the planned improvements today. What is the next five years look like. Then when you do the update, you will have a different set of costs potentially.
- O'Neill: Depending on when they will be done and operation.
- Herlands: Right.
- Chair Curnutt: Yes, that is the plan.
- Herlands: Right.
- Chair Curnutt: Again, and I think You have answered my question, but Well, 64 and 72 do not exist now, or they exist now, and you are just going to deepen them and maybe redrill them deeper, maybe increase the size of the width casing?
- Gomez: Mr. Chair. I will verify it, but I believe these do not exist at the moment.
- Chair Curnutt: All right. Almost afraid to ask the next question. On water transmission lines, and again I am really needing an education, so I apologize to each of you.
- Herlands: That is fine.,
- Chair Curnutt: On table 11, when we are talking about doing an increase or doing a new transmission line, are we replacing existing lines with larger lines, is that what we are doing with these? Or are some of them are brand new?
- Herlands: This is, so again there is a mix of methodologies here. We do Impact Fees, there is a plan-based methodology, an incremental methodology, and a cost recovery methodology. The ones where we are looking at future stuff, it is planned based methodology and we are saying here is the cost for the future, this is what it is going to serve and the capacity it is going to provide. This

case, this is an incremental, we are saying this is the cost per equivalent dwelling unit to provide additional capacity intermittent transmission line. What we have done here is come up with a weighted average for the size of the lines, knowing that the future may hold, they are going to be, it is going to be different. There is going to be different expansions that are needed that are separate from the wells, separate from you know these other improvements. This is just extension of transmission lines. Ultimately again we are saying, here is what it costs to provide today, and this is a weighted average, and this is you know again the cost per demand unit, the equivalent dwelling unit.

Chair Curnutt: Okay. Thank you. All right. We will go to water storage on page 14 if we could, quickly. Again, I am going to just ask, where we are showing construction costs for improvements on one, two, three, four, five, six, seven, eight storage facilities. If I am reading this right, we are not changing the capacity of any of those storage facilities, we are just improving those storage facilities. I guess my elementary question is what type of improvements you do if you are not expanding the capacity?

Herlands: Right. I am glad we came back to this because I had some other points on this one as well. The improvements, and so think about it in terms of usable capacity. To Mr. O'Neill's question about the older storage tanks that, what needs to happen to ensure that you still have that capacity in place. It is, so you are not decreasing your capacity, you are essentially, you are continuing to provide capacity that is usable. Again, in this case It is the same approach as I think a couple, a few, the previous, not the most previous but the second to last previous discussion we are talking about is to get to that weighted cost per gallon for those improvements. It is not every single tank that is getting, that has a project, but this is what It is going to cost to continue to provide usable capacity in those systems. If you have a specific question about storage and the projects themselves. I will defer to Abner. The other point I wanted to make too, going back to coordinating with the City and growth, you know needs for new growth, that this is establishing that cost, that these Impact Fees can be used to expand capacity in those new storage tanks because this is the cost to provide that additional capacity.

Chair Curnutt: Okay, so we are really not looking at, we are doing it just for a cost basis so we are really not looking at improvement projects to these water storage tanks, is that what you are ? Or these parts of a maintenance cost projection that would be equated into the overall operation of new storage facilities in the future?

Herlands: Well, and they would not be double counted, they would not be in both places. If They are considered a capital in a capacity project, they would be included in that part of the Utilities program and the fees would be used to pay for that. If They are part of the operations, no, they would not. Our approach here is that these are capital capacity improvements in the system and that Impact

Fees will be. the revenues generated will be, eligible to use those Impact Fees for these projects.

Chair Curnutt: Okay. Thank you.

Herlands: I also wanted to make a point to ...

Newby: I thought I knew what that meant, you just confused me.

Herlands: Okay.

Newby: I did not believe that this money, Impact Fees could be used to refresh, renew, enlarge, existing, in this case, water storage. Why would we allow a tank that is built in 1992 being used for Impact Fees?

Herlands: Well, again, it is to continue to provide capacity and additional capacity. Enlarging an existing facility is fine. I mean I know that they are you know ...

Newby: Well but if we are in a ...

Herlands: They are a fixed, yes.

Newby: We are in an area of town like Missouri Tank is, there is no impact for growth, because there is no growth in Missouri. Impact Fees cannot be used in areas where there is no growth.

Herlands: Maybe I am misspeaking on this one. I am misspeaking. Yes, and I may have misspoken on the storage piece of this because it is, we are using this to get a cost factor, and so my question now for Abner is whether the fees will be used for these projects themselves. Let us make sure we are straight on this.

Gomez: Yes, Mr. Chair, Commissioner Newby. As far as a rehab goes for these, we have never paid them through the Impact Fee fund. We pay them out of our capital, just regular operations from, where we do all rehab and all stuff like that. Even the Missouri one, which is currently being rehabbed right now, that is being paid out not of Impact Fees but our regular capital upgrades.

Herlands: Thank you.

Newby: It might help in something ...

Herlands: Correct the minutes on that.

Newby: That is called the Impact Fee study that there could be a footnote, that none of this can be used.

Herlands: Yes. That is a great, that is a good point. Thank you.

- Chair Curnutt: All right, one last question. It is really easy, but I just find, maybe I have, anyway on table, page 18 if we could, we have EDUs, middle column, EDUs per day 286 for the water supply, they have water storage 461, then 286 for water development, and for water support facilities 286, water credits, 286. I cannot, I have looked and maybe I just could not find it, but I cannot find where we came up with the 461.
- Herlands: The 461. I am glad you mentioned that, because that was where I was heading on this water storage. Back to water storage, slide 14. This is a different factor because the storage provides more capacity than just sort of that map, that peaking, or that max factor, as opposed to just the average daily use. What we show on the left-hand side of this slide is the current system, what is the total capacity of storage in the City's storage tanks, so that 27.4 million gallons per day. That is, so when you divide that by the current number of Equivalent Dwelling Units, you get that 461. It is more. Storage needs to provide more than the 286 per day, it needs to, you need to have that additional factor or additional amount of capacity available.
- Chair Curnutt: Okay, so I am sorry. On page 14, we have gallons per EDU on water storage, 461. That is that 461. How did you get 461?
- Herlands: That is on that same page 14, it is 27,400,000 divided by 59,000 EDUS.
- Chair Curnutt: Okay. All right. Thank you. All right, before we leave Water Impacts, anybody else has another question?
- O'Neill: Go ahead Newby. I have one too.
- Newby: The Impact Fee studies are done about every four years. Then they are updated. In this case it looks like the increase is going now like on the proposed Water Fee is \$2,700.00 to current water, I am sorry, from current water fee \$2,100.00 to proposed water fee \$2,700.00. Alma maybe you know better. We do this about once every four years.
- Ruiz: Chairman, Committee Members. Alma Ruiz, Senior Office Manager. We by law have to implement them every five years. We do the study on a rotating basis between Parks and Rec, Public Safety, and Utilities on a rotating four-year basis. We have by law one year to have an extension, so technically we have up to six years. We rarely take that into effect, we did during COVID for Public Safety. Yes.
- Chair Curnutt: Mr. O'Neill do you have another question?
- O'Neill: Yes, I have two. More answers, get more question. Other than Impact Fees and your General Funds for Utilities, does grants come into that at all for Utilities? Is there grant money ever awarded for Utilities? Are there any pending now?

Gomez: Mr. Chair, Commissioner O'Neill. Yes, we do receive grants. They are often very specific. For Water right now we do not have any grants, but we do for Wastewater for decommissioning septic tanks to be able to also hook them up into the actual system. Grants are not a regular thing, but we do get them occasionally. We are trying to get in a cycle where we go out and apply as much as we can, and if we get something, we get something that is great, and if we do not, no harm, no foul.

O'Neill: You have one in the works right now for Wastewater?

Gomez: We have some that are currently awarded. Yes.

O'Neill: That have been awarded.

Gomez: Correct.

O'Neill: Okay. What is that amount, can I ask?

Gomez: I do not have the exact amount on top of my head. If I would give you an estimate, it is about \$250,000.00 or so. It is not a lot of money, so we are always asking for more.

O'Neill: Sure. Then my last question would be, TischlerBise has prepared this report and there are still some questions that obviously we have unanswered, but when do we make a recommendation? Or when does it come to us? When do you need us to take action on this? Or to make our recommendations on this? Is this just an informational meeting. Does anyone in the City know?

Gomez: Yes, Chairman, Commissioner O'Neill. Yes. Right now, at this point, this is just a draft for you to kind of ...

O'Neill: Okay.

Gomez: This is the first time You have seen it. The intent was for you to receive it and look over it, if you have any questions for this very same purpose. We can still go back with TischlerBise and bounce back any of the comments that have been mentioned today and address them, and we can bring it back to you.

O'Neill: When does this go in front of City Council? Or when are you hoping it goes in front of City Council?

Gomez: I do not know that timeline.

O'Neill: Do you know that Alma? I mean we have six months to work with, three months, a year.

Ruiz: Chairman, Committee Members. I do not know that schedule because Domonique Rodriguez, the Deputy Director for Business Services runs this

program. She is the one who would set the timeline. Abner reports to her so we can take an action item for him to get a schedule for you guys.

O'Neill: Yes, and that is what I know Parks and Recs going to do for us and Public Safety, so we have more of a guideline, so we are not backed up to the last day or last month. Thank you.

Newby: I had one more question. Just looking at slide number eight, you know obviously the 10-year projection is just provides the same percentage of increase each year. Is there any effect or any studies being done on conservation programs within the Utility Department that would indicate that it is possible to have fewer gallons per day per each EDU? And if so, is it significant enough to reflect on this?

Herlands: That is a good question. Thank you for asking that. By the regular updates of these fee studies then allows for accounting for those changes. We do see changes from our previous update to this one. I cannot recall off the top of my head but in terms of those changes. What we are doing here really is you know They are not material enough to affect the fees themselves, but we are trying to, you know what part of this analysis if you recall back about the requirements for an Impact Fee Study is to show that there is growth period, and that there is a demand for additional capacity. Unless there were conservation efforts, you know a foot where you would go backwards then you know there is still the growth is generating additional demand, period. The numbers do not change the findings materially if you will.

I do want to make a point too, just go back on the grants question and the funding, part of our analysis as we go through is to account for any nonlocal funds that are either anticipated through a planned project or that are regular enough that we would account for that. Again, if there was something that was happening on a regular basis you know for the next update, we would account for that in terms of the City's cost, or the Utilities cost to then have the Impact Fee reflect what the local cost is.

Newby: Thank you.

Chair Curnutt: You know, I am going to plant this at this point. Since it was brought up by Mr. O'Neill, we are going to implement something, I will bring it up later, but what I would like to do is task Utilities to come up with a timeline on this so that again, we can track when you need something from us and that we are not caught blindsided and walk in and say, "We are not ready to do that for you this week." If you could give us that timeline, it would really help. Would it be reasonable to have that by next month? All right. Thank you. Would you like to continue?

Herlands: Sure. Let us go.

Chair Curnutt: Just a heads up. I wore myself out getting through the Water, so I would not have any questions.

Herlands: It is all part of the plan. That was all part of the plan.

Chair Curnutt: All right. So have at it. Thank you.

Herlands: It is all going to look very similar, just the numbers and the words are slightly different. I should note too that on the Wastewater, so the current direction that we have received is that Utilities does not plan to pursue an increase in the Wastewater Impact Fee at this time. You will see that there is by virtue of cost increases an increase to the fee schedule, you know increase to the fee calculation, but this is not currently planned on from the Utilities Department. Take that for what it is worth.

Again, very similar, but a whole different set of numbers. This is the Wastewater current usage. As expected, instead of the 286 for a single-family equivalent dwelling unit we have 177. This makes sense in terms of wastewater usage is typically less than the water usage on an average daily basis. Again, we use this figure the usage for single-family unit to set to calibrate the meters and so everything will be tied back to those 177 gallons per day per equivalent dwelling unit. Again, to getting to current state of affairs, usage by residential and nonresidential, current number of customers, current usage, etc. You will see here that it does not exactly line up with the water usage, again not unexpected given the systems in place and septic usage.

We do the same thing for Wastewater demand, using the same growth projections to get to ultimately what does this look like in terms of usage over 10 years, number of EDU's and what that growth looks like over time. There are fewer components in the Wastewater Impact Fee system. The first is the treatment, and this is again the current state of affairs, the current capacity for wastewater treatment provided by Las Cruces Utilities, about 15 million gallons per day, and getting to the cost for capacity improvements. You will see here same approach in terms of the cost factor and inflationary factor applied to that, both principal and interest costs included here. The collection lines, again the same approach here to get to what is in the system today. What is the cost to provide collection at a weighted average basis in the system, so all of those lines combined to get to that total cost, the cost to expand divided by that number of EDU's and to get to a cost per EDU at the bottom that are \$2,600.00 or so.

The next component is lift stations, again current state of affairs, what does it cost to expand capacity on a per EDU basis. Again, to get to ultimately this weighted cost to expand capacity. Then the support facilities, so this is the remaining portion of the Water Quality Lab that is 70% allocated to the Wastewater program and projected out over that 20-year projection period. We also include, just like we do with Water, a debt service credit to account

for potential double payment, and so that bottom line amount will be subtracted from the gross Impact Fee amount.

A little bit shorter, in fact Impact Fee schedule in terms of the components, we have the treatment component, the collection, support facilities, and then the credit that we net out. At a total net capital cost per EDU of \$3,766.00. Again, using this to calibrate it to the single-family meter size, that three-quarters or five-eighths inch meter size. Again, you will see the note here throughout, Las Cruces Utilities does not plan at this time to pursue an increase in the Wastewater Impact Fee. That base amount is put into the meter capacities and those capacity ratios to get to a full Impact Fee schedule by meter size. The difference in the current fee that is calculated is about \$1,000.00, and again distributed equally to the builder and to the customer, again with caveats here as well.

Future growth needs in dollars, about \$24 million, again applying those cost factors and the growth projections that we have over the 10 years. A revenue projection of almost about \$23 million as well with that deficit or the shortfall attributed to the debt service credit that is included in the calculation. Then we can have questions and discussion if you like.

Newby: You have weathered the battle quite nice.

Herlands: Right, right, right. No, no problem.

Chair Curnutt: Mr. Newby, any questions?

Newby: Slide 27.

Herlands: Okay.

Newby: Another dumb question. The annual increase in customers are 425 on water starts at 438, not a lot of difference but cumulative. Are there less customers for sewer than there are for water? Assumption.

Herlands: Yes.

O'Neill: Okay, just to clear something in my head. Are you both from TischlerBise. You represent the City Utility, is that correct? Okay. What was your name again, I did not see it on the on the agenda. Mr. Gomez, is it?

Summerlin: This is Abner Gomez. He is the Rates and Economics Manager. I am Jill Summerlin, I am a Rate Analyst. This is my first time through this process.

O'Neill: Okay. Not specifically for Utilities though.

Summerlin: Yes, we were we.

O'Neill: Or you work specifically for Utilities?

Summerlin: Yes.

O'Neill: Thank you.

Chair Curnutt: Okay. I have no questions.

Herlands: At this time. Okay. Good. Well, I appreciate the questions. Now these are typically a lot of times we will get a "boy, this is a lot of detail," and not a lot of questions. This is good. I think is very helpful, and It is helpful for us too, to understand where we need to footnote some things and to provide some additional information back, so I appreciate your time.

Chair Curnutt: Well, thank you very much. Thanks for joining us today.

Herlands: Sure. Thank you.

O'Neill: Thank you for your presentation.

Herlands: Thank you.

Chair Curnutt: Any of the Utilities people want to add any comments or follow up on what has been shared with us today?

Gomez: Mr. Chair. Just to answer some brief questions, the San Pablo question in the water portion. That is the town right next to Mesilla. We have a special contract with them. That is why they had the wrong rate. That is what you see them broken out individually. The other question, Well 64 and Well 70. I looked at the project scoping report, they are going to be connected to the actual water system. They are not in service right now. I just wanted to answer those questions. Then I am working on the schedule right now as we speak, and I will give it to you through Alma so she can share it with you.

Chair Curnutt: All right. Very good. Thank you.

O'Neill: What is the population of that area?

Gomez: I do not know the population. I am sorry.

B. Vacant Seat to Replace Jason Lorenz Verbal Update by Denise Alejandre

Chair Curnutt: Okay, moving on down our agenda. I believe we have Ms. Denise needs to give us an update. Is she here ready to do that? This is on a position to replace our previous Committee Member Jason Lorenz.

Alejandre: Hi, good afternoon CIAC Chair and Committee Members. Denise Alejandre, Utilities Administrative Assistant, for the record. The CIAC voted on submitting Mr. Zachery Freilino as the candidate to fill the vacant seat to replace Jason

Lorenz during the action item of the Agenda for January 26, 2023, meeting. Utility staff notified the City Clerk of the CIACs recommendation and has forwarded to the Mayor and Council for consideration during City Council meeting, which will be held on March 6, 2023. I will stand for any questions.

Chair Curnutt: Questions?

Newby: I am good.

Chair Curnutt: Mr. O'Neill.

O'Neill: The only question I have is we have another seat to fill as well, oh that is going to come up on the Agenda. Okay.

Chair Curnutt: All right. Thank you, Ms. Alejandre.

5. New Business:

A. Advertising for Vacant Seat to Replace Vincent Garcia-Hess Verbal Update by Denise Alejandre

Chair Curnutt: New Business. We have advertising for vacancy to replace Vincent Garcia-Hess. We need an update by Denise Alejandre.

Alejandre: Hi again. CIAC Chair and Committee Members. Denise Alejandre, Utilities Administrative Assistant, for the record. If you recall at the January 26, 2023, meeting, an e-mail from City Clerk was read into the record stating the following: Mr. Vincent Garcia-Hess is currently living outside the City limits. According to the Las Cruces Municipal Code, Section 2-188 membership, every person appointed to any Board shall be a resident of the City unless stated otherwise. Due to this provision the CIAC has an at large seat vacant that must be filled. Five applications were received to replace Jason Lorenz, which were all vetted by legal for the Real Estate Development or Building Industries including businesses that finance, underwrite, or lend money for real estate and development or building purposes. Of the five applications, the City Legals Department determined the following. Two are moved forward and were ranked to fill Mr. Lorenz's seats. Mr. Zachery Freilino nomination for consideration by Mayor and City Council, and Angela Jimenez, whose application would be disqualified due to not meeting the qualifications for the at large seat.

One applicant was disqualified for currently being a government employee. He would remain in the disqualified category and therefore his application cannot be considered. Another applicant was disqualified due to not listing any experience in any areas of the requirements for the developer seat. This application will be considered because it is an at large seat. One applicant was disqualified due to not submitting the application by the requirement of the previous application date. This application will be considered because it is on file with the City Clerk's Office. Therefore, staff needs your direction whether to forward the two remaining applications to Legal and have them vetted, or

to advertise for an at large seat and in hope that additional applications are received. Please note all applications received including the two currently on file, will then be forwarded to Legal to be vetted. I will stand for any questions.

Chair Curnutt: I am sorry, did you ask if you are wanting us, whether it needs to be the recruitment period extended to where we get more applicants, was that a question you had?

Alejandro: We were wanting the Committee's direction as far as you guys want to move forward with the two remaining applications that we have and send them to Legal and have them vetted, or to advertise and receive more applicants, and forward the two applicants plus the new applicants that come in.

Chair Curnutt: All right. Thank you for clarifying. Mr. Newby, any thoughts.

Newby: Do we get a look at the current two applicants before we the forward them on to Legal?

Ruiz: Chair, Committee Members. Alma Ruiz, Senior Office Manager, for the record. We would first submit those two current applications to Legal to have them vetted to see if they met all of the qualifications for the at large seat requirement. If Legal came back to us and once we have their choice and if they say, sure they both meet, we could let you review them. Once you review them, we would not be able to advertise. Does that make sense?

O'Neill: There is an option to move those two forward and also advertise, so there could be a pool of four or five candidates that get vetted together and then we can see the information of all five.

Ruiz: That is correct.

Chair Curnutt: Yes, if I am understanding we can either process the two that we have got, or extend the recruitment period, get more applicants, and then work that total pool.

Ruiz: That is correct.

Chair Curnutt: Through the system.

Ruiz: That is correct.

Chair Curnutt: Okay. An opinion.

O'Neill: I will make, yes, I think we should do it that way because all of a sudden, we have two applicants, what have they both right away they do not meet the qualifications or one of them does and then we are limited to ...

Ruiz: One.

- O'Neill: Kind of decision really. I think I would make a motion to ...
- Ruiz: Just to for clarification of procedural, it is not an action, we were looking for your recommendation. Discussion as a committee, and then you can provide direction to staff.
- Newby: Mr. Chair. I would agree to go back out to see if we can attract some more applicants.
- O'Neill: Also include the two.
- Newby: Yes.
- Chair Curnutt: All right. We will move forward with that. Okay. Thank you.
- Alejandre: Perfect. Thank you.

B. Introduction to Las Cruces Utilities General Counsel by Alma Ruiz

- Chair Curnutt: Okay, at this time I would like to introduce Ms. Alma Ruiz, she is got an introduction herself to make.
- Ruiz: Alma Ruiz, Senior Office Manager, for the record. First of all, I want to extend apologies for our extended dais staff. Assistant City Manager Sonya Delgado, our Utilities Director Adrienne Widmer, and our City Clerk Christine Rivera, they are all attending the City's budget off site today. Therefore, they were unable to make it today to the CIAC meeting. Normally Adrienne would have made this introduction, but I will take that responsibility on.
- The City's Utility Board of Commissioners approved Utilities to move forward to hire an outside consultant legal firm in order to provide us general counsel for the Board, for this CIAC committee, and for the future Utility Customer Advisory Group that will be formed soon. At this point, I would like to introduce Ms. Nann Winter, and she will give a little background on her experience.
- Chair Curnutt: I am sorry. It is Nan.
- Winter: Short for Nannette. Nan, short for Nannette.
- Chair Curnutt: Okay. Thank you.
- Winter: My mother calls me Nannette. My old friends from high school called me Nannette, but everyone else calls me Nan. I am happy to be the only person at the table this afternoon. My name is Nan Winter. I am an attorney with Stelzner Winter, Warburton Flores and Dawes in Albuquerque. We represent local governments all across the State of New Mexico. We represent the largest water and wastewater utility in Albuquerque. We represent three or four electric utilities all municipally owned. We probably represent 70 or 80, 90

elected officials. At this point in time our practice is primarily local government driven.

My specialty is local government in particular, and I represent mostly municipal utilities. Gallup has a pretty large electric utility. We represent Raton which has its own electric utility. We represent Gallup's water utility, the Albuquerque Bernalillo County water utility. We are also outside general counsel to the Albuquerque Bernalillo County water utility, Edgewood, Los Ranchos. We do work in Socorro, Bloomfield. We are pretty much all over the state. We are also outside general counsel to the Jicarilla Apache nation which owns its own electric utility. Do work for the Akima electric utility. Utilities and local government, that is what we do.

I have been practicing law for over 30 years. I apologize for being a few minutes late, all the truck traffic from I-40 is apparently routing down I-25 right now. I was dodging semis on my way here. I will stand for questions if you have any.

Chair Curnutt: Mr. Newby. Any questions?

Newby: Welcome to the zoo.

O'Neill: Welcome.

Newby: You will probably find in the entire utility department; this group right here will be your biggest challenge. We have recently gone through an (*inaudible 1:31:57*) epiphany of realizing that as members we did not really know legally what we can do, cannot do, etc. All that Alma(*inaudible 1:32:10*). How thick was that binder?

Ruiz: I think was about three to four inches.

O'Neill: More.

Newby: Incredibly complex, contradictory legal requirements. Many of those we have looked at, one we have never heard of, to be found that we have been doing things in some cases wrong. Alma as strong as she is there is times, we bombard her. We are not finished with that effort and so a thank you to Utilities Department having their in-house counsel, that is incredible. I am sure you will be instrumental in continuing to whack us about the head and shoulders, say no, no, no, you cannot do that. This is the way it needs to be done.

Winter: Thank you. Well, you will get a Bi (*inaudible 1:32:53*) for a month or two until I figure it out myself.

Newby: You need copy of the ...

Winter: I think she sent it to me already. Yes, I sorted it chronologically yesterday.

Chair Curnutt: Mr. O'Neill.

O'Neill: Welcome, welcome aboard.

Winter: Thank you.

O'Neill: Now you are going to be somewhat of an arm to our CIAC. Does that mean you are going to be here at all the meetings?

***Board Member Newby stepped out 3:00 p.m.**

Winter: That is my intention to be here at each of the Utility Board Meetings, the CIAC, meetings and the Advisory.

O'Neill: Okay, and so your legal experience will also help guide us not just on Utilities though, also Parks and Rec and Safety, which is part of our ...

Winter: Well as I understand it, you have to develop an Impact Fee related to each of those

O'Neill: Right.

Winter: Jurisdictions or, you know.

O'Neill: Departments. Public Safety and Parks and Rec.

Winter: And the math is going to look a lot like the math you saw today, would be my guess. Each of those departments may deploy their own consultant. The format might not be what you see today. You will certainly see a derivation of what they think the Impact Fee should be. I am going to guess that most of that will be driven by a consultant process. I do not know yet.

O'Neill: Right. It generally is.

Winter: Yes, so to me those particular components of the Impact Fee analysis are just math, not nearly as complicated as a rate case or a proposed rate increase. What you see today is probably similar to what you will see on the other two or three.

O'Neill: Okay. You are here to help us with all not ...

Winter: All of them.

O'Neill: Not primarily ...

Winter: All of them. Yes, I mean ...

O'Neill: Well, we welcome you. We needed someone just like you.

Winter: Well, thank you. Appreciate it.

Chair Curnutt: Well now It is my turn to welcome you. We appreciate having you as part of our team.

Winter: Thank you.

Chair Curnutt: As you probably learned, we have a lot of questions, and we are trying to learn what our roles and responsibilities are and how we best can deliver those. You will be a key asset in helping us do that. I am going to be a little bit nosy if I could.

Winter: Sure.

Chair Curnutt: You are a member of this consulting firm, engineer, I mean a.

Winter: Law firm.

Chair Curnutt: Law firm, but with that, are you our representative or are we probably going to get different attorneys at different meetings, or are you going to rotate it or are you dedicated us?

***Board Member Newby returned out 3:02 p.m.**

Winter: I am dedicated to you all. Unless I have a conflict, like a scheduling conflict, I might send one of my law partners down. Like for instance, in April I am scheduled to do a four-week trial in Farmington, so April, I will be sending somebody else down. Do they do exactly what I do? No. Unfortunately, the partner that does the same thing I do is with me in Farmington. That will be rough. We will definitely have somebody here. One of my partners is from Las Cruces and one of my partner's commutes every other weekend to El Paso. We are familiar with the area and pretty much do the same work.

Chair Curnutt: Okay.

Winter: No, I am dedicated to you all. My intention is to be here as long as Adrienne will have me and get you through the development of your Impact Fees and your rate increases.

O'Neill: Whoever would be sitting in your place would, you would bring them up to speed on what our needs are and what our questions were from the meeting before and that type of thing?

Winter: We generally look at the Agenda from the prior meeting and anticipate that what was new business last time might make it to the old business side of the agenda this time. I will touch base with Adrienne and Alma, and they know

how to find me. We will make sure we understand what is on the agenda and what questions you might have. Each of your questions today were good, you know there was nothing. They were all good questions. To answer one of the questions, that San Pablo is a rural water utility. It appears to be a single large wholesale customer. That is what I gathered from that sheet on the thing., Other than that, I thought your questions were spot on.

Chair Curnutt: Thank you.

Newby: Welcome to the zoo.

Winter: No, I am looking forward to it.

Chair Curnutt: Do you go by Nannette you say or Nann?

Winter: Nann unless you are mad at me.

O'Neill: Like her mom sometimes.

Chair Curnutt: Well Ms. Winter, thank you very much.

Winter: Okay. See you soon.

Chair Curnutt: Alma, I will turn it back to you to release her or?

Ruiz: Just move on.

6. Next Meeting Date – March 23, 2023:

A. Old Business:

i. Parks & Recreation Impact Fee Verbal Update by Sonya Delgado

B. New Business:

i. Parks & Recreation Projects Updates by Cathy Mathews

ii. Utilities Projects Update by Carl Clark

iii. Public Safety Project Update by Fire Chief Smith/Police Deputy Chief Mullen

iv. Applicant Rankins and Weighed Scores by Denise Alejandre

C. Action:

i. Vote on Applicant to Fill Vacant Seat

Chair Curnutt: Our next meeting is March 23rd.

O'Neill: This is part of the Agenda too.

Chair Curnutt: Yes, we are ...

O'Neill: I did not know if you got there yet. Okay. I did not know if you knew. Sorry.

Chair Curnutt: Looking at our next regular meeting is the 23rd of March. As far as what is currently perceived need to be on the Agenda is we will discuss the Park and Recs Impact Fee verbal update by Ms. Delgado. We will have a New Business, Park and Recs projects update, Utilities projects update, Public Safety projects update, applicant ratings and weighted scores by Denise. Then our Action will be to vote for applicants to fill those vacancies. That is our next perceived Agenda items. Any additions you want to add at this point? Of course, we will have plenty of time to add later.

Newby: I am good.

7. Public Participation:

Chair Curnutt: All right, let us go to Public Participation if we could. Anybody in the audience have anything you want to add to our meeting today? We have been here too long already. Open the door and let us out. All right.

8. Board Comments:

A. Review Action Items by Chair Curnutt:

Chair Curnutt: As far as Board Comments. You know, I have got a couple I would like to share and then we will open it up to others. If you will notice item 8 A talks about review items to be followed up on. What we are doing is I had some discussions with Alma the other day and I personally would like us to add to our normal agendas. At the end of a meeting, we will reflect upon any action items that we have agreed to. Just like Mr. Gomez has an action item, for example, to get us the timeline. He is already committed to that. What we will do is at the end of the meeting we will summarize; we will go through and see if we have captured all the action items. Maybe the word action items maybe duplicate of some of the other action items that we have, and so it is items that we have identified to follow up on when we conduct our meeting. We will do that at the end of the meeting. Then at the next meeting, one of the first things on the Agenda will be to go through those action items to see to just refresh everybody's memory and see if everybody is followed up on what they had that They have committed to follow up on. We are looking at changing the Agenda a little bit to address those items. Anything you would like to add to that, Alma?

Ruiz: Alma Ruiz, Senior Office Manager, for the record. I think what we will do to distinguish the CIAC action items from what the review, and we have asked staff or consultants to do will be to identify those as City staff or Consultant follow up items.

Chair Curnutt: Okay.

Ruiz: Okay. That way It is very clear that the Board is not going to take action on those, specific people will.

Chair Curnutt: Okay. Thank you. On that, any input from any of the Committee Members?

Newby: Mr. Chair. I think it is a great idea. Sometimes we ask a lot of the presenters, and it is nice to be able to look at the next meeting and remember what we asked about, and then it can also help those who have been asked to be ready for a conversation. I think it is a great idea.

Chair Curnutt: Mr. O'Neill, any comments?

O'Neill: I was called for eight years, four years on the Park board, Mr. McNeil from the Chairman at one time instead of O'Neill, for four years. It is okay. Now, if we have an item that we would like to see on the Agenda, should we handle it the same way? Should I go through Mr. Curnutt, or should I go through you, Alma? Or how would you like that?

Ruiz: Sure. Alma Ruiz, Senior Office Manager, for the record. My staff sends out a solicitation for Agenda items to the CIAC members as well as City staff. At that time, it would be appropriate to propose your ...

O'Neill: By the deadline. Okay.

Ruiz: Correct.

O'Neill: That is fine.

Ruiz: Thank you.

Chair Curnutt: Okay. Anything else Mark?

O'Neill: Well, are we on committee, like Board Comments now?

Chair Curnutt: Yes, we are ready for Board Comments.

O'Neill: Okay. I would just like to congratulate you on winning the chairmanship here, or being voted in, elected chairman. I can tell you are doing a great job, and you are going to do a great job. I am happy to have you. That is great that you are in that. I was not able to make the last meeting and I wanted to ... did Jason Lorenz get recognized for the hope he gets something. He was a great, a super Chairman, and I enjoyed working with him. What a good guy and what a good chairman of this committee. I would like to wish him well. Have it on record. Anyway, nothing but good things to come here. That is all I have.

Newby: I am good.

Chair Curnutt: Okay, one final thing I have before we move into adjournment. You may have noticed Alma is up here at the table with us. You may have wondered why, you know, and apparently before COVID there was a different configuration, this committee would set in, but since I have been on the board Alma sat in the back corner. Poor Alma was like a yoyo, 'she is up and down all the time,

correcting our behavior up here. We moved her up so that she could kick us under the table if we are doing something wrong. She is our official parliamentarian keeping us inline. We are not trying to inflate her to give her the big head, 'we are just trying to make sure she can control us a little bit better. Welcome to the table.

Ruiz: Thank you, Chair and Committee Members.

9. Adjournment:

Chair Curnutt: Anything else before we adjourn? Any other items? All right, do I have a Motion to Adjourn?

Newby: So, Made.

Chair Curnutt: Second.

O'Neill: Second.

Chair Curnutt: Vote.

Newby: Aye.

Curnutt: Aye.

O'Neill: Aye

MOTION PASSES UNANIMOUSLY.

Chair Curnutt: All right. Thank you everybody. Appreciate your time and effort.

Don Curnutt, Chairperson

Date