Chair Lorenz called the regular meeting to order at approximately 1:30 p.m.

Chair Lorenz: Let us get started and Call to Order.

First things first, I have a statement from the Attorney General [New Mexico.] At the start of each meeting the Chair should announce the names of those members of the public body participating. We have myself, Jason Lorenz, Gene Suttmiller, Mark O'Neill, Steve Newby. And I do not see...there is Adam down there at the bottom on my left. So, Adam Roberts as well.

All members of the public body participating remotely must identify themselves whenever they speak and must be clearly audible to the other members of the public body and to the public. Members of the public should
be afforded remote access via live stream or other similar technology, if possible, or call-in number for listening by phone.

The Chair should suspend discussion if the audio or video is interrupted. All votes of the public body must be by roll call vote. And the public body shall produce and maintain a recording of the open session of the meeting.

1. **Conflict of Interest:**

Chair Lorenz: Next, I need to ask, is there anybody attending the meeting, City staff or Committee member, that has any known conflict of interest with any item on the agenda?

O'Neill: Mark O'Neill, no.

Newby: Steve Newby, no.

Suttmiller: Eugene Suttmiller, no.

Roberts: Adam Roberts, no.

Chair Lorenz: I do not hear any.

**There were none.**

2. **Acceptance of the Agenda:**

Chair Lorenz: So, I need a Motion for the Acceptance of the agenda as written. Do I hear one?

Suttmiller: Eugene Suttmiller, so moved.

Chair Lorenz: Hear a Second.


Chair Lorenz: Alright. So, I guess I need to roll call?

Ruiz: Yes, sir.

Chair Lorenz: For the acceptance of the of the agenda, Eugene Suttmiller?

Suttmiller: Aye.

Chair Lorenz: Mark O'Neill?

O'Neill: Aye.

Chair Lorenz: Steve Newby?
Newby: Aye.
Chair Lorenz: Adam Roberts?
Roberts: Aye.

The Agenda was Accepted Unanimously 5-0.

3. Acceptance of the Minutes:
Chair Lorenz: I also need a Motion to accept the Minutes from our last meeting on November 19th. Do I hear that?
Suttmiller: Eugene Suttmiller, I so Motion.
Chair Lorenz: All in favor, Eugene Suttmiller?
Suttmiller: Aye.
Chair Lorenz: Mark O’Neill?
O’Neill: Aye.
Chair Lorenz: Steve Newby?
Newby: Aye.
Chair Lorenz: Adam Roberts?
Roberts: Aye.
Chair Lorenz: Thank you.

The Minutes were Approved Unanimously 5-0.

4. New Business:
   A. Public Input on Water/Wastewater Development Impact Fee Allocation:
Chair Lorenz: Thank you. Alright, on to New Business. We have Public Input on Water and Wastewater Development Impact Fee Allocation by Delilah Walsh. Delilah? I see her face.
Walsh: Sorry, I am having technical difficulties today and I cannot get my video working so I am just going to use my voice. Sorry.
Mr. Chairman, Committee members, my name is Delilah Walsh. I am the Utilities Director for the City of Las Cruces, and I just wanted to share with you. This is a presentation, or a shorter presentation, than that which I shared with the Committee earlier in the week, regarding the water and wastewater Development Impact Fee Allocation (DIF). If you can go to the first slide.

You all know, I will not go over the DIF too much. I know you, as the Committee, manage a lot of this and you understand it completely. As far as what the DIF is, it is for commercial accounts, we collect it at the time of permitting. What is different about the DIF for water and wastewater is that for single-family residential accounts, a portion of the DIF is collected at the time of permitting, and the remainder whenever the new residential account is set up. To do that we go through proof of ownership, payment plan options, things like that. Next slide.

In today's world, this is how the allocation is set up. The builder or developer pays half the DIF, at the time of permitting, of either the subdivision or the development lot, only for single-family housing. Everything else is different, but for single-family residential housing, this is how it is set up. For water and wastewater that end-user, or homeowner, pays a portion at the time that they come in to set up their account. We do have options for them to pay at the time of their account setup or to spread that out over time. I think it is a four or five-year spread. And then the rate base absorbs the rest of the DIF portion. The Las Cruces City Council asked us, when we went through and changed the Development Impact Fee rates for water and wastewater, wanted to reconsider what is today's allocation. Next slide.

The proposals from Council were that we continue the way it is, which is Option One, and that is the previous slide that I just showed you. Or, if we remove the rate base from the DIF payment allocation, that leaves us with Option Two A or B, meaning that the developer, or the subdivider, or the property builder would pay 100% of the DIF at the time of permit, just like they do in today's world for commercial development. Or [Two] B, we allocate the DIF between the end-user and the builder/developer, and simply eliminate the rate base. In other words, the developer would still pay 50% and then the homeowner would still pay 50%. In this option, what I call Two B, the homeowner would still have the option to finance that DIF payment throughout ownership. Just for everybody's information, if I were to have a new home and I am a homeowner and I have the DIF, and I decide to spread that payment over a four-year payment plan, at the time of closing, should I sell my home to a new owner, that DIF is collected, whatever is owed, 100% at the time of closing. That is part of the closing costs. We do collect if that ownership changes hands, so that would not change. Option Two essentially eliminates the rate base. Next slide please.

What the City Council asked for was a public comment period. If you have comments on these options or suggestions or anything you would like to
share with City Council, we are collecting those through January 29th at next 
to midnight. Those will go in through the Outreach Office at the City 
Manager's Office. Those comments will be gathered for the March 8th Work 
Session of City Council. If City Council decides, after listening to all those 
comments as well as staff input, to make a change, they will have to go 
forward at subsequent Council meetings to rescind the original resolution and 
replace it with a new one.

With that, I stand for any questions.

O’Neill: This is Mark O’Neill.

Chair Lorenz: Go ahead, Mr. O’Neill.

O’Neill: I have a question. What were the allocations over the last 10-12 years? How 
have they changed to now?

Walsh: Mr. O’Neill, Delilah Walsh, Utilities Director. This resolution, the original DIF 
allocation was in 1995. It has been the way of slide two in today's current 
allocation setup since 1995.

O’Neill: Thank you. Also, I would like to point out that our pages are not numbered 
this time, like they usually are, so we can refer to pages. If you could please 
do that in the future, I would appreciate it.

Walsh: I am sorry.

O’Neill: I have another question. I would like to ask Jason how each one of these 
options affect you as a builder.

Chair Lorenz: They really do not. What they effect is the homebuyer in the end. All of our 
costs end up in the sales price, and the more cost you add to the home, the 
more sales price ends up for the end-user. For instance, up until this recent 
rage hike, the amount of money paid by the builder in utility impact fees 
alone was roughly $2,000.00. Let us just use that because it makes the math a 
little easier. It is not quite that, but let's use $2,000.00. When we pay that 
$2,000.00 we charge the customer about $2,800.00 because every dollar 
that goes into our sales price we have to pay real estate commissions, gross 
receipts tax, overhead, all of those types of things. Right now, up until the 
latest rate hike, the part that a customer would normally pay when they 
initiate the utilities is $1,067.00. Let us call that $1,000.00 to make the math 
easy. If that thousand dollars is going to be added to the builder's side, it 
would now be $1,400.00 dollars to the customer, instead of the $1,000.00 
that it is now.

O’Neill: Thank you for that explanation. It really does not affect you, just the end- 
users.
Chair Lorenz: It would end up in their mortgage so that, instead of financing it for four or five years, they would pay it for 30 years.


Chair Lorenz: Any other questions from the Committee?

Newby: Yes, Mr. Chair, this is Steve Newby. If, in the current example, the customer pays $1,000.00, you are saying if it changes the customer would pay $1,400.00, because of the markup etc. That seems like a pretty big increase for the customer, by the time you load in all the other costs associated to it.

And a second question. In the Option One, currently, the rate base is at 22% and 30%. Does that continue or does that get folded in the other two options? Does it get folded in so that the developer will also pay what the current rate basis is donating?

Chair Lorenz: Delilah.

Walsh: Mr. Newby, Delilah Walsh, Utilities Director for the record. Can you go back to the allocation slide that shows Option One and Two [spoken to the person advancing the slides]. The 22% and 30% that currently goes into the rate base, what the Council has asked for, is that the builder remain at 50% or go to the 100%. That 30% would either be absorbed in Option B, it would be absorbed by the homeowner. The homeowner is now paying 50% and the builder is paying 50%.

Newby: I am still confused. In [Two] A it is all builder/developer and [Two] B it is split 50/50 between builder and homeowner. Correct?

Walsh: Correct.

Newby: Okay.

Walsh: There is input to change that. That is the input that we are taking through the 29th [January].

Newby: The total costs in Option [Two] B for the homeowner, it looks like their cost is going up substantially, or am I missing something there?

Chair Lorenz: It would essentially double.

Walsh: Mr. Newby, Delilah again. That is correct. Essentially, it would double for the homeowner on their side.

Chair Lorenz: It works like a lot of things in manufacturing. The farther up the supply chain any cost exists, the more markup and taxes and fees that happen as it comes down to the consumer. If we were to take these costs and put them
on the lumber supplier, then they would mark it up before they sold me the lumber, and then I would mark it up before I sold it to the end-user. It just swells the higher up you put it in the supply chain.

Newby: Mr. Chair, this is Steve Newby again. Delilah what was the initiation of the request? Did this come from Council or staff to come up with different ways to do this? What was driving the change?

Walsh: Yes, Mr. Newby, Delilah [Walsh], for the record. That is absolutely correct, in the sense that it did come from Council. We brought the Impact Fee to Council as an information session because, as you know, unlike Parks and Fire, the DIF rate is set by our LCU (Las Cruces Utilities) Board, but we still take it to Council as an information session because they are responsible for the allocation. In that presentation Council did ask for us or for them to reconsider the allocation. I cannot give you the thought behind the Councilors but, I can share with you, the discussion at the time. One of the Councilors represents an older part of town and her rate base is paying for new development. Whereas another Councilor said, during the discussion that came up, that may be true, but because our systems are redundant, the molecules for the system travel the entire rate base. Any capacity increases we do with Development Impact Fee money, benefits the whole system because it is a redundant system and improves our fire flows. That was the discussion. Some Councilors did not think it was fair that the rate base is paying for new development capacity, where other Councilors were okay with that. I will tell you, nobody else does it this way. We even asked a vendor who has an allocation system set up like what we have today, and really nobody does it. It is always between the builder/developer and the homeowner.

Newby: Thank you.

Chair Lorenz: Any other questions from the Committee?

Suttmiller: Eugene Suttmiller. My question, I want to make sure I am seeing this right. If the homeowner paid everything at the time he took the house, or she took the house, they actually end up, long term, paying a lot less than they do if the construction people pay it. For markup you have to change the upfront part of it on payment because you would not know who was going to own the house when it was platted.

Walsh: Right.

Suttmiller: There are other things that needs to go in and that needs to be there. If you are going to take this out, you need to explain the long-term impacts. You pay three times what you would on a 30-year mortgage, basically, which you would pay if you paid it up front, or pay it through the Utilities, at no interest, over time. It would be a significant saving, over time. I think that needs to be made very, very clear to the Council, before any kind of change
is made. It is harder at first because you now have a bill for a couple thousand dollars that you did not have before. But it is easily paid over a four- or five-year period, whatever the Utilities wants to set up, with no interest. In the long run, you end up way ahead if the customer pays for it and the way we do it is changed to make it so the costs are paid at the time of the acquisition of the house, rather than when it is platted. That is all I have. Thank you.

Chair Lorenz: Yes, Delilah.

Walsh: Yes, Mr. Suttmiller. I apologize, I was trying to type at the same time. I did not mean to interrupt.

Suttmiller: This is a little new to all of us.

Walsh: You're absolutely correct. Let us say, for all intents and purposes, the DIF is $3,000.00 for water. Let's just make it a nice even number. I like how the Chairman did that.

Suttmiller: So do I.

Walsh: No matter who pays it, whether it be the developer or the homeowner, at the end of the day, the homeowner pays it and Jason's absolutely correct. If the developer pays it, he's going to add it to the price of the home which will eventually be mortgaged. If the homeowner pays it, he will have that option for five years. I'm writing that comment in because, no matter what, the homeowner is going to pay that cost at the end if we eliminate the rate base. You're absolutely correct in that it is a financing issue. You do end up paying more over time, versus paying it up front. I'll absolutely add that to the public comments and send that in.

Chair Lorenz: And just to clarify something that Mr. Suttmiller said, when the City Utilities department does finance that portion for the homebuyer when they set up their initial account, it is not interest free. I believe it's 7%. Delilah may have more information on that, but there is some financing fee to it, and I believe it is set up over 60 months. I don't think there are any other options. It's either, you pay it all once, or they pay it over their first 60 utility bills, and I believe the rate is 7%, but I may be off on that. Mr. O'Neill?

O'Neill: Yes, Mark O'Neil. If this is a little confusing for a committee, I'm sure it needs to be simplified, so the residents and the community can understand better. I don't know how we do that. The one thing that stood out in my mind is, you're saying that, if they go to Option Two, then the ratepayers will pay more. The residents will pay more. Is that what I heard you say, or double?

Chair Lorenz: Not the ratepayers but the homebuyer of the new home.
O’Neill: The homebuyer. That is what I mean.

Chair Lorenz: The, the basic difference between Option One, and either Option Two A or Two B, is it takes the rate base out of it completely.

Walsh: That is correct.

O’Neill: I think it just needs to be simplified or clarified better for the community meetings and so forth.

Walsh: Mr. Chairman, if I may.

Chair Lorenz: Sure.

Walsh: The presentation I’m giving you is very abbreviated. The video presentation we did online does have a lot more detail explaining where the DIF comes from, how that impacts, and how the options will impact the customer. So, this is a very abbreviated presentation compared to what we have out to the public.

Chair Lorenz: Mr. Newby, you have some questions. He’s hunting for the mute button.

Newby: Thank you, Mr. Chairman. It's been one of those days! Delilah, if, in Two A and Two B, the rate base is dropped out of the payment does that mean that the cost will go down for those that are currently paying into the rate base?

Walsh: Mr. Newby, that is correct. What we would have to do is go back and recalculate how that allocation is through the rate base because our rates are already set, and a portion of that is for the DIF. We would go back and analyze that on our side. It is not huge. It is not a giant amount because out of 40,000 customers, let’s say we have 600 to 800 new homes every year over the 40,000 customer base is not going to be a big difference, but it will make a difference. So, the answer is yes, but it's not going to be significant. I do want to verify that Mr. Lorenz is correct. There is a 7% interest charge for financing that portion of the DIF if you do it through LCU versus your mortgage.

Newby: Thank you.

Chair Lorenz: I find this dilemma, that the City Council was having—so, in their eyes, my assumption is, the cost of the Development Impact Fee is necessary because of an increased burden on the utility systems created by the construction of a new home. They say, if the benefit is going to this new home, why should my constituent in North Alameda bear the cost? It is an interesting flip-flop to the Park Impact Fee. For instance, let us say that they built some bathrooms, like they did a while back in Young Park, I think it was, maybe it was Apodaca. I think it was Young Park. The benefit to those bathrooms being in Young Park happened mostly for the citizens around Young Park, and for
anybody in town that wants to go to Young Park because it's open to anybody. It was paid for with Park Impact Fees where none of those impact fees were collected within miles of Young Park. That's the dilemma that our Committee and the City Council has to battle with anytime we recommend or approve an impact fee, is the benefit and the cost. Do they reside in the same place? If they don't, why not? The last time [Mayor Ken Miyagishima spoke when they were accepting the Park Impact Fees, that was really his big opposition to park impact fees. Not that he had any problem with paying for parks or any problem with building new parks, but he felt like the allocation of the benefit did not equal the allocation of the fee. This one is sort of the other way around. Mark, do you have some comment?

O’Neill: Well, I was going to ask the same thing. Is there a way where the homeowner who is in an established area does not have to pay? I guess that is what this option was set up to do, it does not have to pay the full fee so that is what puts more fees on the new developments. Is that the way I understand it?

Chair Lorenz: That is what they are trying to do. Or at least, that is what they are considering.

Suttmiller: If I may say something, Mr. Chair?

Chair Lorenz: Yes, Mr. Suttmiller.

Suttmiller: This is Mr. Suttmiller speaking. Years ago, this rule was explained to me. We will take all the building up on the East Mesa. That requires a bunch more water. We have to dig wells, and the wells aren't dug especially up there. The water that comes from that well goes up there and is necessary for up there, but also some of it is going to other parts of the city. Building a lot bigger mains to get the water close to there, that is where that rate base 30% came from, or 22%, because you cannot get it out. Like, if you got a park, you got a park sitting there. There's not a park built down in the thing because, when the thing was first set up it was a for each individual area of the city. I think there were seven of them, if I remember right, the areas of the city. It was like Las Vegas, the money that was made from building there stayed there. It was very inefficient because some of the areas would never get enough money to do anything, so we combined it city-wide.

When some of the things are built, especially in the water, more than any of the others, you cannot split it out. You cannot say 60% of this is going up on the East Mesa, 20% is going over here, 20% [over there], so they came up with the figures of 22% and 30%. We sort of rolled with that forever. It is hard to back that back out again. Am I wrong about that ma'am?

Walsh: Mr. Suttmiller, Delilah Walsh Utilities Director, for the record. You are absolutely correct. We cannot separate—Dr. Garcia [former Utilities Director] always referred to it as the molecules so that will forever be in my head.
There is no way for us to separate those molecules. The sewer system is redundant. The water system is very much redundant. We have lift stations and PRVs, the pressure release valves, lift stations, pump stations. We have all that so our system can keep moving and can be in flux should we have to mitigate loss of a well or have to take a line down. You are absolutely correct, it is not like a physical, sit/standing park. I believe that the idea back in 1995 was that because we can move the water from anywhere in the city, as well as the wastewater, my understanding is that was the thought when they originally did this allocation.

Suttmiller: This is Eugene Suttmiller. This is absolutely right and that is how it was explained to me when I first got into Council and asked that question. I was going along with it. There are some major changes that are going to have to be made. You are going to dump it all on the homeowner. If we are going to put it all on the homeowner, which probably over time would save the homeowner money in the end, for two reasons: one, because of the cost, the cost of putting that money in a mortgage for 15 to 30 years, and two, because of the pyramiding that takes place when you add it to the cost of the home. And gross receipts taxes, New Mexico is unique that way. I think there is a lot that needs to be looked at.

Myself, as a homeowner, I would have preferred, “okay, I owe you $3,000.00 let's figure out how I can pay it to you, do I have it in the bank, or do I need to take a loan out with Utilities”? I know the utility, in running a payment system for this, has to make sure that they don't give anything away. The state does not allow the utility or any state agency to give anything back to the taxpayers in services that are not paid for. There is a clause in the constitution about that. You would have to look at it. I don't know, that 7% was set a long time ago and rates were a lot, lot higher. I don't know how I would answer that one.

My point is, if we are going to do [Option] Two B, a lot more needs to be looked at than if you put it on the developer because the developer is going to put the cost immediately into the cost of the home, and it will be picked up in the mortgage. Right now, I can get a mortgage for 2.3%, I think it is. It would probably break about even at the end of a 15-year mortgage. A 30-year mortgage, you would pay more. I would have to figure all that out, it is too much work. Thank you for allowing me to ramble.

Chair Lorenz: Mr. O’Neill.

O’Neill: Thank you, Mr. Suttmiller for that information. That was good, thank you. The 7%, is that coming from the developers, that is put on the developer? Is it the same 7% that the homeowner pays?

Suttmiller: Excuse me, I'm sorry, ma’am. Go ahead and answer that question.
Walsh: Mr. O’Neill, Utilities Director Delilah Walsh, for the record. First of all, I apologize. I have the wrong note here. The interest rate is 3.59%. And that is the amount that the Utility charges the homeowner if they choose the payment plan. No matter what, that end-user/customer can pay their $1,000.00 up front, or they could finance it over those 16 months at 3.59%. It is only that portion because the builder pays up front.

O’Neill: Okay.

Chair Lorenz: They don’t let me finance it.

O’Neill: I have another question. This is a dilemma, as Mr. Lorenz pointed out, because you don’t want to double rates on the new developments for this because it is enough as it is. But I understand the older customers in the other parts of town. I understand their concern but in the already developed for many years parts of town, like the Alameda area in the middle of town, they are also going to have more problems with pipes and with the system itself. I’m sure that money has to do with that as well. There are going to be things that are going to go wrong, like what you said, in their areas. Anyway, it is a dilemma, that is all I have.

Suttmiller: May I make a comment towards that Mr. Chair?

Chair Lorenz: Thanks, Mr. Suttmiller.

Suttmiller: In the Alameda area, if that stuff needs to be repaired it gets repaired by the ratepayer, period. The Utility is responsible for replacing that and they are not going to pick up any extra expense from that. The CIAC (Capital Improvements Advisory Committee)—the money we’re talking about can only be used by the Utility for new things, just like with the parks, and new services, and that. But then you get into the problem if, because of the 700, 800 homes they build up there we need a new addition to the wastewater treatment facility, that can be paid with CIAC part of our funds, not all of it, to support those 700 houses out there. However, there is no way to separate that out from the same service and the same increase in service that is going to all the other ratepayers.

O’Neill: I understand.

Suttmiller: There is no way to separate it out. Like Jorge [Dr. Garcia] used to say, we cannot separate the molecules. They are traveling all over the place. They are getting it because they are getting, overall, an increase in service and an increase in reliability of service, which is a really important thing for them. Things get much more reliable as the Utility adds to that.

In the end, there is no change for the home builder. The home builder is paying the entire fee, in the end. Whether they turned around and said the contractor has to pay the entire $2000.00—I’m going to use the figure our
Chair used—fee, it goes into the mortgage because it goes into the price of the house. If the entire thing is paid by the homeowner, they pay it at the beginning, or they pay for a loan from the Utility to pay it over time. But in the end, the homeowner is paying that entire thing.

When that is used to put in a larger system, other people are getting benefits from that system, and there is no way, with water and wastewater to factor it out. That is what this took into consideration.

I do not have an answer. I think it is one of those things that we just have to accept. I like the system the way it is, personally. I think it goes a long way towards ensuring everybody has buy-in on this new stuff that is going across the city to support the entire city.

And with that, I will try to stay quiet for the rest of the meeting. Thank you very much.

O'Neill: Thank you for the information.

Chair Lorenz: Any other questions from the Committee?

Roberts: This is Adam Roberts. I have a question. Under the new Option Two A and B, that all goes on to new construction which right now, the way Las Cruces is growing, is great. If that growth of Las Cruces slows down, how is that going to affect the DIF to be able to grow if we slow down and are not picking back up? If we don't have that rate base in there to build that DIF during a slow time, how is that going to affect growth of Las Cruces?

Roberts: Thank you.

Chair Lorenz: Thanks Adam [Roberts]. Any other questions from the Committee?

Thank you, Delilah for letting us grill you a little bit. That was probably more questions than you thought you might get on this short presentation today, but I appreciate you answering them for us. It is a real sort of moral dilemma for us right now. I guess that is why our Committee exists, right?

**B. Invitation to Tour Utilities Field Sites:**
Chair Lorenz: Next on our Agenda. We have an invitation to tour Utilities, again. Are we going to do that, Alma?

Ruiz: Good afternoon Chair, Committee members. Alma Ruiz, Senior Office Manager for the record. We have some members who may not have participated in the Utility tours and as we gear up to offer a tour to the new Assistant City Manager, because it takes a lot of resources to perform these tours, we thought we would extend the invitation to any new or previous CIAC members who have not, or would be still interested in a refresher tour.

I am working with the City Manager's office currently. It will be on a Wednesday, and we are looking towards maybe, a March, April timeframe, when the weather is a little better. If you are interested, please send me an email. That way we can include you in the headcount. Depending on where we are in the restrictions from the Governor, we will, currently right now, be limited to five participants on the tour. So then, we would have to accommodate maybe different dates and so forth. With that, we do not have a specific date in mind. I wanted to poll the CIAC members to see if there is any interest.

I stand for any questions you may have.

Chair Lorenz: I do not believe Steve [Newby] had the opportunity last time, and I do not believe Adam [Roberts] did either. I would go just to get to know the Assistant City Manager a little bit. I think that is a unique opportunity. So, if he does go, if we exceed the capacity limit, feel free to kick me off the list so that the other members that have not got to see the facilities can go. Adam or Steve are you interested?

Roberts: Yes, I would be interested. I was able to take a tour of the facilities when I was going to NMSU for civil engineering, but that's been a few years so I would be interested in a little refresher.

Chair Lorenz: The view from the top on the water tower on East Mesa is pretty good.

O’Neill: Cool.

Chair Lorenz: Mr. Newby?

Newby: Always looking for the unmute button. Yes. I would like to see it, sounds like a great idea.

Ruiz: Great. I will mention that because we have such expansive field operations, it typically takes two days. We have full days, probably around 8:30 a.m. to about 2:00 p.m. We break for lunch break and then we resume in the afternoon. I'll keep you posted for those that have shown interest via email and once we solidify the dates, you will be notified. Thank you.
Chair Lorenz: I believe, Alma, before you shut off your—no, I guess I got one more thing to handle first.

5. Old Business:
   A. Utilities Department Impact Fee Update:

Chair Lorenz: I have got some Old Business. A Verbal Update of Utilities Department Impact Fee by Jose Provencio.

Rodriguez: Mr. Chair, my name is Dominique Rodriguez. I am the Rate and Economic Analysis Manager. I will be speaking for Joe [Jose Provencio] today. He just wanted to let you know that the DIF was approved. The new rates were approved by the Las Cruces Utilities Board on November 12th and became effective as of December 1st, 2020.

Chair Lorenz: Thank you very much.

6. Action:
   A. A Reasonable Notice of Meetings:

Chair Lorenz: Reasonable Notice of Meetings. Okay, so we have a meeting—I’m sorry Alma go ahead.

Ruiz: Alma Ruiz, Senior Office Manager for the Utilities Department. On an annual basis, the City Council approves a resolution outlining and determining a reasonable notice of meetings. In which appointed commissions, committees, and boards pursuant to New Mexico Statutes Annotated (1978) referred to as NMSA, specifically the Open Meetings Act Chapter 10-15-1 which states any meeting in which the discussion or adoption of any proposed resolution, rule, regulation, or formal action occurs, and at which a majority of the quorum of the body is in attendance, and any closed meetings shall be held only after reasonable notice to the public. The meeting that affected body shall determine at least annually in a public meeting what notice for the public meeting is reasonable when applied to that body.

As in the past, we are asking CIAC to approve a Reasonable Notice of Meetings to be held the third Thursday of every month. With that, we have to post the Agenda 72 hours prior to holding a meeting. If any public meeting or other special meetings are required that are either held in replacement of a regular CIAC meeting, or in conjunction with the third Thursday of the month, or on another identified date and time identified by this body, the CIAC, that a reasonable notice of regular CIAC meetings, public meetings, and/or special meetings shall be required. The issuance and posting of an agenda 72 hours at the time of the meeting is scheduled and be posted on the City of Las Cruces website as well as posted on the bulletin board at City Hall and Utilities Administration Building.

And that all other meetings which may be called for informational purposes at which no action is to be taken shall be held only after written notice is
posted on the City website, no later than noon on the day of such meeting or four hours prior to such meeting, whichever is greater.

Your action today is really to approve that the CIAC meetings will be held on the third Thursday, but that City staff, which is our staff, will post the Agendas 72 hours prior to, as stated in my statement. With that, I will stand for any questions you may have.

Chair Lorenz: I do not have any problems with the third Thursday. Does anybody else?


Suttmiller: And with me.

Newby: That’s good. Steve Newby.

Roberts: That works for me.

Chair Lorenz: Please keep rolling, just like we're going.

Ruiz: Great. Thank you so much.

Chair Lorenz: It’s a pleasure.

Suttmiller: Do we need a Motion for that?

Ruiz: I think he just called it, right? Or if not, he can roll call it again.

Suttmiller: Don’t we need a Motion and a Second?

Ruiz: Sure. Thank you, Commissioner Suttmiller, I will stand for any questions. And just for convenience purposes, you may want to add these dates to your calendar, but they should already be on there. And these are the third Thursdays reflected on this slide. Chair, Motion?

Chair Lorenz: Anybody got a Motion for me?

Suttmiller: I make a Motion that we accept. This is Eugene Suttmiller. I make a Motion that we accept the Reasonable Notice of Meetings for the third Thursday of every month.

Chair Lorenz: Do I hear a Second?


Chair Lorenz: Okay. All in favor, Mark O’Neill?

O’Neill: Aye.
Chair Lorenz: Steve Newby?
Newby: Aye.
Chair Lorenz: Eugene Suttmiller?
Suttmiller: Aye.
Chair Lorenz: And Adam Roberts?
Roberts: Aye.
Chair Lorenz: Alright. Motion passes.

The Action was Accepted Unanimously 5-0.

7. Public Participation:
Chair Lorenz: Alma, I believe you had some public participation. Am I correct? Did I get an email like 10 minutes before the meeting?
Ruiz: Yes, thank you. Alma Ruiz, Office Senior Manager for the Utilities Department. We did receive a public participation comment via email sent at about 12:30 p.m. today. I will go ahead and read that into the record, bear with me here.

The email was sent in from Mr. Gregory Shervanick. It addresses the CIAC members, which states, “since the Work Session of this strategic will affect all CIP (Capital Improvements Plan) projects until 2026, Committee members may wish to attend to preview the highest priority items from the survey. Meeting at 8:00 a.m. at”, and then he has, “meetings can be viewed live at lascrucites.civicweb.net. Agenda available, currently. Thank you, Gregory Shervanick, for the record.” An attachment of the City of Las Cruces Strategic Business Plan Community Survey was attached for the members, which I have forwarded to all of your members. That is it. And I stand for any questions you may have.

Chair Lorenz: Do you have any idea what that means?
Ruiz: My interpretation is that he has invited you to attend the City's Strategic Plan offsite. He is on as an attendee if you would like to ask him any specific questions.

Chair Lorenz: Alma, I believe we have all been invited to one of those meetings. If Mr. Shervanick—did I get that correct—would like to help us understand? There he is.
Shervanick: Actually, because the City is not as transparent with the CIP. A few things took place at the City Council meeting. On Monday, the City voted in Resolution No. 21-025, which will affect the new building code for energy efficiency, and all envelopes on new and commercial buildings will have to be two by six construction. So that will increase the cost of the homeowner, just like the costs will go up for DIF impact fees.

But on tomorrow on Friday, the City is having a special work session. And that special work session has to do with strategic planning, which they wish to change to 2126, I'm sorry 2026, which will also increase all the costs of your CIP projects. So if you haven't been invited to this meeting, it's open and the City Council should have notified you or at least sent you the survey which I send it as an attachment. Because all of it, will increase the cost of all the projects that are CIP, up until the year 2026 and the City of Las Cruces hasn’t involved you to be at these meetings.

Chair Lorenz: Thank you, Mr. Shervanick. We were given or at least I was, and I believe everybody on the Committee was given an opportunity to fill out the survey. I was unaware of tomorrow's work session. That's an odd day of the week for a work session but I appreciate you bringing our attention to it. And you are correct: yesterday's energy code adoption is going to raise the cost of new homes, I'd say somewhere in the $10,000.00 to $12,000.00 maybe $15,000.00 per home.

Shervanick: Yes. And, and I thank you for letting me speak. It all has to do with Friday the strategic—I mean, I'm sorry, the special work session because the City wishes to push forward the Elevate Las Cruces program. And the reason that they put it as a special meeting is, they want to put it on the calendar by March, which will also influence your decision as far as the DIF rate increase or should influence your decision on whether or not you pick current option or option Two A or Two B.

Chair Lorenz: Understood.

Shervanick: Thank you.

Chair Lorenz: Thank you very much.

O’Neill: Thank you.

Chair Lorenz: Any questions from the Committee for Mr. Shervanick? I hope I pronounced your name correctly, sir?

Shervanick: You did, sir. Thank you.

Chair Lorenz: Thank you.

8. **Board Comments:**
Chair Lorenz: Next is comments from the Board. Are there any?

O’Neill: Mark O’Neill. Believe or not I do not have any.

Chair Lorenz: Well, I think, we’ve got an opportunity here to give our opinions to City Council about what they want to do with this allocation.

Before next meeting, I will have some comments of my own. But I would encourage you all to amend or add to with your own so that we can put together something to send to City Council before they make their decisions in March.

And I'll have that prepared before our next meeting. I'll send it out to Alma so that she can shoot it to everybody, and they can be prepared before that. Alma, did I just hear your hand raised?

Ruiz: I did. Thank you, Chair. I just wanted to remind you, instead of having a rolling poll yet to please send me any of your comments directly. And then I can compile them and then distribute to the Committee. Thank you.

Chair Lorenz: Good. I like doing it that way. The City’s lawyer—she told us to be careful about how we communicate outside of meetings and I appreciate that Alma. Yes, Mark?

O’Neill: Will we take action on this at a future meeting or this time are we going to do this before?

Chair Lorenz: It’s...

O’Neill: How soon do we need to do this?

Chair Lorenz: It's not incumbent on us to comment on it. But we do have the opportunity if we want to.

O’Neill: Do we discuss this at a meeting and give our input?

Chair Lorenz: Yes, we will at the next meeting. I'll have Alma put it on the agenda. But I want to get—if anybody else has comments or opinions about this, that they would like to share with the group before that meeting, so that when we come together at that group—at the next meeting, we can actually have something to make action on.

O’Neill: Very good.

Chair Lorenz: It's important when I when we communicate with City Council, that any of any of our opinions as a Committee are presented as such, and any opinions that are ours, personally, cannot be construed as those opinions of the
Committee. I think we need to talk about it before we put any sort of pen to paper and send something over the Council.

O’Neill: Very good. I agree.

Lorenz: All right. Anybody else got anything for me?

9. Next Meeting Date: February 18, 2021:
   A. New Business:
      i. Utilities Current Projects Update by Carl Clark.
      ii. Parks and Recreation Current Projects Updates by Cathy Mathews
      iii. Public Safety Current Projects Updates by Interim Chief Smith and Chief Daines or their designees.

   B. Old Business:
      i. Utilities Department Impact Fee Update by Jose Provencio.

Chair Lorenz: Our next regular meeting is on February 18th and we have a few little things to talk about. I'm anxious to hear about the Parks (Parks and Recreation) projects. I know there's one coming up in District 5 off of Mesa Grande that's been in the news lately. I'd like to hear that, how they're doing about that. So that's good. And then, Mr. Provencio will have something for us as well.

10. Adjournment:
Chair Lorenz: And if that's it, then I'll go ahead and adjourn. Thank you, gentlemen and ladies, and we'll see you in a month.

______________________________________
Jason Lorenz, Chairman Date