

**CITY OF TRUTH OR CONSEQUENCES
PUBLIC UTILITY ADVISORY BOARD
MONDAY, MARCH 17, 2025**

REGULAR MEETING MINUTES

Regular meeting of the Public Utility Advisory Board of the City of Truth or Consequences, New Mexico to be held in the City Commission Chambers, 405 W. Third, Truth or Consequences, New Mexico, on Monday, March 17, 2025, at 3:30 pm.

CALL TO ORDER:

The meeting was called to order by Chairman Dornbusch.

ROLL CALL:

Jeff Dornbusch, Chairman
Don Armijo, Vice-Chairman
Gil Avelar, Member
Chris Sisney, Member

ALSO PRESENT:

Gary Whitehead, City Manager
Traci Alvarez, Assistant City Manager
Katy Martinez, Deputy Clerk
Sonya Renfro, Utilities Manager
Bo Easley, Electric Department Director

1. APPROVAL OF AGENDA

Member Armijo made a motion to approve the agenda.
Member Sisney seconded the motion.
Motion carried unanimously.

2. APPROVAL OF MINUTES:

- a. Regular meeting of August 19, 2024.

Member Sisney made a motion to approve the minutes.
Member Armijo seconded the motion.
Motion carried unanimously.

3. COMMENTS FROM THE PUBLIC: (3 Minute rule applies)

There were no comments at this time.

4. NEW BUSINESS:

5. REPORTS FROM THE BOARD:

There were no reports from the board at this time.

6. REPORTS FROM STAFF:

Sonya Renfro Utility Manager: I just wanted to issue a reminder that our water conservation is coming up April through September. Even numbered addresses are watering Tuesday, Thursday and Saturday. Odd numbered addresses Wednesday, Friday and Sunday. No watering on Mondays and 10 am and 6pm.

Bo Easley Electric Department Director: An update on the department and what we have been doing. TD engineering is still here. They are doing a study for us. That's coming along good. Morgan, complex we got it up and running with electric, meters have been set. They have 8 apartments going. They are fixing to start on another 8. At the electric car charging station behind the old Denny's building, we are still working with the customer for the utility easement. Hopefully we can get that going pretty soon. Ethos is going around town and they are installing cables, doing a lot of underground, that's going well. Construction on the Fair barn started today. They are tearing down the old bathrooms. We set 3 new poles 2 weeks ago back there. We will be setting a Pad knock transformer as well. We will be getting rid of the single phase there. BD is replacing poles on Marshall; they have 15 poles that they are doing. They have done 5. They guys have been busy replacing poles and connecting services.

Member Avelar: How is the solar system doing.

Bo Easley Electric Department Director: They solar array went up January 21st and last Thursday it went down again for another inverter burnt up. They are working on it again.

Member Avelar: Do they know what the problem is?

Bo Easley Electric Department: No. Manny, the technician from El Paso called me over there today. We talked about it he said he was going to order another inverter. We don't know how long it's going to take to get here.

Member Avelar: Any idea what is taking those out? Are they blaming something on us?

Chairman Dornbusch: Blame it on mice.

Bo Easley Electric Department Director: He asked me if we had any problems, I told him no. When a cabinet like that burns up like it did and you don't see something that might be at fault, especially with electricity.

Member Avelar: Are they still paying us for that not working?

Bo Easley Electric Department Director: We are just buying more power from the Sierra. Gary, Steve, Jay and I have been talking about it. We did the figures and its saving us money by them being down. We are working on a letter to see if we can get them to go down on their rates that they charge us.

Member Avelar: Did you have any problem with the wind the other night?

Bo Easley Electric Department Director: We had a cut out blow for Foch hill on Pershing, we had fire department sign on the east side blew over, and a tree off of Foch but that was all

Member Avelar: No services blow down?

Bo Easley Electric Department Director: No.

Assistant City Manager Alvarez: I do have some updates since the last meeting. I know at the last meeting I let you guys know we had been awarded various funding, and we were waiting for grant agreements. We have our MSD/USDA Water Project that was completed on the downtown lines. The parts are received for the Cook Street Station, so they are finishing that up. The short fall funding for the tank and some of the SCATA system will be covering that out of our 4.4 capital appropriation that we got. We will get the tank and the Scata system for that it has to go through commission at the next meeting for the purchase order then the contractor will start working on that. Then the tank will be ordered. Our USDA, Wispi1 project we are getting ready to go out to bid on that. That's going to be for the pressure reducing valves on the upper side of town as well as the new line that heads over to the Pine Knot area. That will help with their pressure. We are waiting for the USDA concurrent so we can go out to bid on that. Wispi2, we finalized our predevelopment loan, so the engineers can start the design on the USDA Wispi2 project that is going to address one of the main lines from the Morgan Street tank down to one of the main transmission water lines, as well as a couple other areas. The 4.4 million appropriation that we have a small portion of it will go to the finalization of the USDA Cook Street and the remaining part of that is going out for shovel ready. We have the 16 million that we received from the Water Trust Board. We got that grant agreement back and executed that just needs to go on to a BAR and then we will get started with that process. We have our CDBG water meter project we go that fully executed and they are in design on where they will be placing the selection of AIM water meters there is about 900 and something that will go in. We got the grant agreement back for the bar screen, the head work system, so we are looking at waiting for a cast order proposal for engineering on that. That will be just for design not for construction.

Chairman Dornbusch: How many active water leaks do we have at this time?

Assistant City Manager Alvarez: I don't have that information, but I know that our City Manager is working really closely with our Water/Wastewater department.

Member Avelar: What is Wilson doing on Marshall?

Assistant City Manager Alvarez: On Marshall they are in our critical.

City Manager Whitehead: They might be doing assessments and surveying those lines for the \$18 million project which will do all the metal streets.

Member Avelar: Didn't they just finish working over there?

Assistant City Manager Alvarez: They might be making sure it is entered into our asset management plan. Our GIS system, whatever work is done as they coordinate it out.

City Manager Whitehead: To answer your question, we are under 14 water leaks as of the last Commission meeting some of those have come up just recently. We were really close to 10, they are trying to stay under 10. We did have a period of time when we did have 7 or 8 new water leaks, but those water leaks were created by Kelly Cabling in their boring they were hitting our lines. We were marking them potentially the line was not in the right spot; we think maybe they weren't boring property so we brought everyone together the whole team we notified them that they need to follow 811 and our team is going to do a better job of marking exactly where they are going to be drilling. I don't think we have had a hit in the last 5 days. They have come up with a criteria for the lines, if they fix them twice and it needs a third time, they are not going to patch it. They are telling me that they are going to go ahead and replace the line. There are probably 8 or 9 that aren't leaking now but they are on the list so if a leak pops up, they will replace the line. That's how we are trying to battle that. We have also added that to our website so you can actually go on the website there is a link to it, and you can see last month's leaks and what are current and what we have repaired. We are trying to get the water

consumption as well. We are going to get that added and try to get those criteria. We are trying to get that information out a little better. All the water projects that we have, as Traci said, we are going to get those on the website as well so that the community can see exactly how much money and where we are going to go and be a little bit more forward with that information.

Chairman Dornbusch: That's great. It's going to be leak time here in a couple months.

Member Avejar: It's a lot better than it was last year.

Member Sisney: I called in a leak, and it was fixed within a week, which is a lot better than what it had been.

City Manager Whitehead: The team is working. I made a decision to move Jamie Foreman up to a supervisor position, she needs to pass her level 2 certification for water. She is ready to test this month. If she does, she will probably get an interim supervisor position. She is doing a great job, stepping in when Arnie left. We hired Jesse Cole he is back at the plant under a contract basis. He will be working 10 days a month for us. He is giving us our certifications on Wastewater and then he can help go into the field us find issues. An example in Elm Street they were struggling they identified to me that they couldn't find a valve so hopefully we will get that. I also reached out to Dave Cook, I'm going to meet with him in 2 weeks and see if I can get him to take some kind of contract or at least begin me or the team on those issues, so we aren't sitting around. There is a lot of good knowledge about the system that we need to rely on. I'm going to try and make those things happen on those particular issues.

Member Avelar: Have we got the water staffing members up to where they should be?

City Manager Whitehead: I think we are missing 2 people in the water department if I'm correct. We just got the wastewater up to full compliance. We are kind of holing off a little bit because we are doing a rate study, I would like to fix all the salaries at the low end. I mean we can't pay \$12.50 anymore. I'm not going to fill a position I want to see what the rate study shows. We maybe ask the crew to do a little more with one less so that we can get everybody paid and get up to a standard where or minimum is in like the \$15 range to come to work so we can get these guys and girls paid a little better so we can build a team that will stay. That's where we are at with that. We have 3 in the wastewater. Jesse, with his contract he will do some work in that we allowed the ability to operate if he was on site and needed to do some work. I just wanted to add; Traci did a good job, but the water tank is not part of our first bid that we are going out. We have a 1.4 million set aside from the MSD, that was the short fall for the tank and the SCATA system. The first bid which we will get through this week is about \$400,000 and then a million is set aside for the tank. To her point the design is done we think it's ready to go but we are not paying for that yet. That will be potentially coming online and Smith Co. honored the bid that they gave us from MSD to finish the SCATA. We did not have to go to rebid for that we can just give them a change order. That was a win for Traci and the team that was here before. It's been a year and a half, it's a big deal, but it could have been worse. We will get that online to finish that project.

Chairman Dornbusch: This is SCATA for Cook Street or for the whole city?

Assistant City Manager Alvarez: It's for the water system. From what I understand it will affect a little on the effluent.

City Manager Whitehead: We have the SCATA that has covered the effluent that's been down, so they are going to add another monitoring system. SCATA does the wastewater plant I'm understanding and I'm novice. I'm giving what I have learned in my month here but we do have SCATA doing the wastewater plant this will finish bring the whole system into the control room for the water. All the meters, all the tanks and potentially the effluent pond will now all be on the SCATA system and will be

active. We will have SCATA for water wells and for wastewater. That's what the contract that Traci is working on will bring and finish.

Chairman Dornbusch: That's really good news glad to hear that.

City Manager Whitehead: I would like to bring up one new issue. Bo talked a little bit about it with Morgan Street. They are building some apartments there. We did get the sewer hooked up when I got here on day 2, I got hit right away with this problem. We put a sewer tap in and he didn't like the sewer tap or something and we went back and put another sewer tap and he wasn't happy with that. I have a tendency to get a little too involved sometimes and I probably did in this case. The sewer tap was in, and it was put on top of our main water line that runs down Morgan and it was over the effluent pond. He was concerned because he didn't have enough drop from his buildings, he was really upset about that. We agreed to move it to the bottom it made sense. When I talked to the engineer he agreed. He said we should never put a sewer line on top of a water line, so it made reasonable sense to go in and fix it. They put in 6 inch, and it looked like we would have had enough if we would have put the 4 inch. Long story short we went with the 4 inch we got him hooked and we went under. We have main fill line for the water tanks at cemetery also run through the middle and we didn't anticipate a third line and so it caused us a challenge there. I give you that narrative to tell you that we don't have a sewer line running down Morgan Street from that particular manhole to the next manhole that's probably I'm going to say 500 to 700 feet and he is building 2 more apartments. I don't have sewer in the road to add another sewer tap. We will be doing a contract with Stan Tech to get them in to do a survey and find out how we can run sewer either back to the manhole on the north where they are building or do we run all the way down Morgan Street and connect to that manhole down below. I need to do so because if he is going to do the development, we are going to be in a pickle there. We would be running up hill with the sewer.

Member Avelar: Can you get him to elevate his property?

City Manager Whitehead: I think I have to do both things. I have asked Stan Tech to come in and give me a base elevation of the bottom of our man hole, the lowest we can go and then I'm going to send him a letter that says you need to make sure your building is at a level that is going to meet ours because otherwise we can't change I have no way to change that. That our first step to try and set a base elevation and then while he is building, we will figure out how to construct a sewer line.

Member Avelar: I'm really surprised that they built that second set as low as they did because if it ever rains here again it's going to flood that second part there. It comes down that hill and it floods that lower area.

City Manager Whitehead: I think he has some obligation to do some flood mitigation on the property. I heard everything is a little at a time I'll get better at it and get a full handle on it. Traci has identified that he still has some obligations to finish the first 2 permits and so hopefully if I can get Stantech here and get a base I think I will address both issues in one letter that says this is our base and you need to elevate to meet and before you can move on you need to finish permits 1 and 2. I think it sounds like he is just moving forward.

Member Avelar: He would be sorry unless he puts dirt in there. I'm just an old miner but I know dirt.

City Manager Whitehead: I want to be pro developer. I want him to do it. We need the apartments, we need the housing, but it seems to me if he had put one more foot of elevation on that he would have had no issues getting to our sewer and I need him to be aware of that moving forward. We do need to talk with you guys about how we get the sewer line. I don't know if I have enough money in impact fees or is it going to cost the city are we going to bear the cost and then ultimately get it back from impact fees and additional sewer taps.

Chairman Dornbusch: Do you know what size that sewer line is?

City Manager Whitehead: It looks like 8 or 10 inches in the manhole what's coming in.

Member Avelar: Are you thinking about a pump maybe?

City Manager Whitehead: When Jesse looked at it and we were on site he felt like we could run the pipe with slop back to this manhole where we are at right now. We could run it north, instead of it going with the street come back and into the manhole and it would just follow gravity. If we can get to that then he is going to have to put some kind of a lift station on his property. It's in his best interest to import enough material to build a foundation. It would solve his problems, and it would solve our problems, and we would then be able to be helpful to him get his apartments open and move on. Any other questions, guidance for me what you think I need to be doing? How do you want me to interact with you as a board?

Chairman Dornbusch: Seems like we are going in the right direction. We have got plans to deal with the things that are going wrong.

City Manager Whitehead: We will do a better job getting the information to the public. We have 60 million dollars worth of funds available to us to fix the water system. It's a 5-year process. Coming in, I wasn't sure how that was going to work and now I'm beginning to see it but it's going to be a challenge both for Traci and for us to make sure that we manage it. We need to be in a let's not ask for more because we have a big loan we are going to need to borrow about 12 million dollars, so out of the 60 12 million of it is a loan. I have done an assessment on the debt load for us and it's going to be a half a million dollars a year in debt payments. 3 of those loans are 40-year loans. The interest rate is good; they are 2% and the stuff that Traci and the team got from the state from the Water Trust Board is .25% so we are not being gouged in interest but it's still \$20 million over 20 years it's a big payment. I'll be presenting to the commission that was my commitment to them that I would get a debt structure of finance so that they will know exactly how much we need to budget every year. We are in good shape there. We can figure out the wastewater plant we will get started. Bo is bringing me up to speed with the electric, I'm excited to see the electric strategy and that will tell us where we need to go there.

Chairman Dornbusch: The new water meter will bring in 5 to 7% increase in revenue from that also.

City Manager Whitehead: I hope so, in that particular situation I just had Traci go in and assess where we are going to put those. The grant she has right now potentially covers 900 meters; ok let's round up, we can add some money to it to get to 1,000. If we do the metal streets that are critical, we think that there could be 1,000 on that side and if we do it right, we can get our timing where we can get another CBDG grant in 2 years we can finish out the system so potentially in 3 years we could have the entire system in with these new meters.

Chairman Dornbusch: That is going to provide us so much information that we can use to determine where some of the leaks that aren't coming to the surface are.

City Manager Whitehead: That's good.

Chairman Dornbusch: We got a lot of leaks that aren't showing their face.

City Manager Whitehead: I was a little humbled by the water loss. I read the Wilson report, and they showed about 25% loss. Jamie gave a report that we are at about 40 or 30 percent and we are down from a year ago and that number just seems high because we only have 12 active water leaks. That would lean right into what you are saying which is potentially we are siphoning water off somewhere that we don't know.

Chairman Dornbusch: They're not making it to the surface its going down a rabbit hole. It could be small leaks throughout the whole system so it's a death form a thousand cuts type of thing also.

City Manager Whitehead: That's a good vision thank you for sharing that. I hadn't assessed why that was the case, it was those 2 things that don't add up.

Chairman Dornbusch: It will be nice when the day comes where the amount of water we pump out of the ground equals the amount of water that has been bought.

City Manager Whitehead: I'm here to answer questions, I'll try to attend the meeting regularly if not ill make sure I have the information and I'll be responsive to you guys as well.

Assistant City Manager Alvarez: One other thing we will be doing is budgets to the commission on April 3rd from 9 to 3 and it is open to the public.

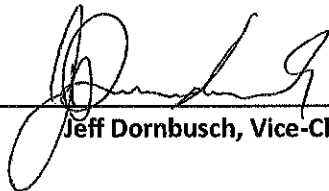
7. ADJOURNMENT:

Chairman Dornbusch made a motion to adjourn the meeting.

Member seconded the motion.

Motion carried unanimously.

PASSED AND APPROVED ON THIS 16th DAY OF JUNE 2025.



Jeff Dornbusch, Vice-Chairman