

**CITY OF TRUTH OR CONSEQUENCES
PUBLIC UTILITY ADVISORY BOARD
MONDAY, OCTOBER 20, 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, 20, 2025 at 3:30 pm.

CALL TO ORDER:

The meeting was called to order by Vice-Chairman Dornbusch.

ROLL CALL:

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

ALSO PRESENT:

Gary Whitehead, City Manager
Traci Alvarez, Assistant City Manager
Katy Martinez, Deputy Clerk
Bo Easley, Electric Department Director
Jamie Foreman, Water/Wastewater Interim Supervisor

1. APPROVAL OF AGENDA

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

2. APPROVAL OF MINUTES:

- a. Regular meeting of August 18, 2025.

Member Sisney made a motion to approve the minutes.
Vice-Chairman 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:

- a. Discussion/Update: Electric Distribution Total System Asset Management Plan.

Copy attached here to and made a part hereof.

Chairman Dornbush: What does N-0 stand for?

Bo Easley Electric Department Director: The N-0 is the normal operating conditions and N-1 is the transformer loads.

Member Alvelar: I'm surprised they didn't want to move the substation. Nothing was mentioned

Bo Easley Electric Department Director: No.

Member Alvelar: They felt that all the lines are the correct size and everything including the underground.

Bo Easley Electric Department Director: Yes. The underground was placed from the breaker to and out.

Bo Easley Electric Department Director: Continued the presentation.

Copy attached here to and made a part hereof.

Chairman Dornbush: This is growth percentage?

Bo Easley Electric Department Director: Yes.

Chairman Dornbush: Based on what operation.

City Manager Whitehead: They half percent model.

Bo Easley Electric Department Director: Continued the presentation.

Copy attached here to and made a part hereof.

Member Avelar: Did they say anything about the solar array?

Bo Easley Electric Department Director: They didn't and the solar array when its operating its feeding all of Williamsburg and South Broadway circuit.

Member Avelar: Is the solar array 100% now/

Bo Easley Electric Department Director: Yes. Other than some of the panels not revolving with the sun as the sun moves.

Bo Easley Electric Department Director: Continued the presentation.

Copy attached here to and made a part hereof.

b. Discussion/Update: Electric Vehicle Charging Station.

Bo Easley Electric Department Director: We have included in your packet a picture of the electric car charging station. We did both a day view and a night view. They are engineering it right now. We are moving along with it. This morning, we went and set the new pole. We will build a 3-phase over to it tomorrow so that the power is already there. The next step, once they pour the concrete pad, we can set a transformer and do the conduit for the 3-phase going down the pole to the transformer. A few of us met up and went over a few things we would like to add to the station like a window washing station, maybe a picnic table so people can sit. There are all the stores around town and the restaurants they can go to.

Member Sisney: I just want to point out that if I were to bring my car here and someone was in this other spot. I would have to back in. I just want to make sure that it will be able to reach around to the other side of the car.

Bo Easley Electric Department Director: I'm pretty sure they have pretty long cords on them.

Member Sisney: I'm just saying from experience. It takes me a couple of tries to get parked in there sometimes.

Assistant City Manager Alvarez: One thing I will update on this is that this is capital outlay funding it went through DOT, so we do have to wait for them to approve a notice of obligation. While internally Bo is doing a lot of the work that he can do for his portion. The contractor can't start until we receive the notice of obligation through the state. It's just little funding steps that we have to go through.

Bo Easley Electric Department Director: We also got approval from the city commission to go for a second grant. We will be able to add 2 more charging stations. Hopefully by the end of it all we will have

Member Avelar: Are there going to be 4 different transformers?

Bo Easley Electric Department Director: No, the one transformer we are going to install will be able to do both of them.

Member Avelar: How big is it going to be?

Bo Easley Electric Department Director: 750.

c. Discussion/Update: Water & Wastewater Cost of Service & Rate design study Presentation.

City Manager Whitehead: When I came on board the rate study had already been started. I spent some time meeting with the consultant firm to get myself familiar with the reasoning why we were going through the study. The vision the commission had when they went out for this study was to understand how we were going to be able to deal with the debt. As I pointed out over the last 6 months, we have about a total of 60 million dollars worth of water projects if you count the MSD and the Clean Water Drinking fund that we did early on. We have about 40 million that we are fixing to bid. I'm just rounding. They are going to be in about 10-million-dollar increments. The first shovel ready we have a successful bid. We hope to award that this week and get started. Out of all those grants we have about 25% debt. We are going to borrowing about 15 million dollars against the 60 million counting the MSD all together we are going to be there. About 75% to 25% loan to grant. Realistically pretty good on the grant side it's a lot of money rough calculation it's about \$10,000 per citizen of our community that we are getting in grant funds against the loan. However, we needed to find a way to pay for it, so we had the study done. The presentation that was provided by the consultant is included in your packet. Some norms that we set on we asked the consultant to consider 0 growth. We didn't take a 1.5% growth model. We said let's just say we are going to stay where we are and what kind of rates it would take to get us there. We looked at different models without a rate increase. Right now, the rates are increasing at a 3% rate annually so that every July your water rates go up 3%. We said if we stay there what does that look like and then ultimately give us the recommendation to what could cover and help us make sure, we can pay the debt load. We are carrying a little bit of cash reserve so they kind of looked at the study from a perspective of what would the rates increase and how would we be able to utilize some of our cash reserves to get through period of time. If you look at the current rate sheet this affectively what we are charging per rates \$19.48 is the base rate in that base rate, we are providing 2 thousand gallons of water. Then you are paying \$3.41 for tier 1 for anything between 2 and 7 and that is per thousand gallons of water. If you follow the chart, it shows how it goes up per usage.

Chairman Dornbush: These are the current rates?

City Manager Whitehead: Yes. The next one is the wastewater, the current rates and how they are assessing that. You have the base rate and then we are calculating based on November, December and January to set the consumption rate and that is what we are using against your water usage to set the rate on an annual basis. If you go to the proposed scenario, they looked at leaving things

status quo again at a normal 3% rate. Scenario 1 would have us going to a 3% residential and raising commercial rates to 5% right now we are 3% across the board. Will just raising commercial rates get us there and ultimately, they came to the proposition that we need to go to a 6% rate for water and 8% commercial for the next 3 years to get us to a standard that would help us cover that debt rate. They also recommended that we phase out the 2 thousand gallons for 2 reasons 1 it would generate a little more revenue and that it became a conservation measure by not giving away free water. They viewed it as you would be more thoughtful on the water you use if you weren't getting 2 thousand gallons for free in the front end. They set the 1.25 multiplier for all the rates. If we were to go outside the city so anyone, we were selling water to we would charge them the 1.25 for the water. They recommended that we standardize all bills and they also wanted us to look at charging a different rate per meter size. If you have a ¾ inch which is the residential rate that would be set. We would keep that at kind of at its lowest rate and then ultimately if you had a 4-inch meter you would pay significantly more on the base rate. If you go to the meter equivalence a 4-inch meter will put out 25 times the amount of water a ¾ inch meter will put out. They gave us some scenarios that we keep it the current rate of just going up at 3% annually we are going to end up by 2029 dipping into our reserves by about a million dollars and that is covering the debt load that we have. If we go to scenario 2, which is the 8% commercial, 6% residential rate by year 2029 we would realistically be at a break even. We would have only dipped into our reserve by \$22,000 and we would start seeing a surplus of revenue by that point by raising the rates to that level.

Chairman Dornbush: The 2 thousand gallons that we are getting for free at what rate would they be giving it to us? Would it be the normal rate?

City Manager Whitehead: The normal rate. The \$3.41 would go to that first level but then of course it would have the inflationary factor of the 6%. So, the \$3.41 would go up by 6% and then you would start paying that at 1 thousand gallons. You would effectively pay \$8 if you only used 2 thousand gallons more than what you are currently paying. A resident today gets charged \$19.41 and if they don't use any more than 2 thousand gallons that is their water bill. We did the study based on 6 thousand gallons average usage. That seems to be consistent in the modeling, and it is also consistent with what New Mexico has you report. We also included the rates across the system 116 different rates of utility provided for you guys to see. T or C is still in the bottom 25% even at our current rates we were like 26% of fees that we are charging. That is a little bit tough because number 1 and 2. The number 1 is paying almost \$200 a month in fees where we are paying \$50 but we they are hauling water into a domestic system where they have about 75 uses and they have no water they are up there in the mountains so it's not a very similar condition to what we have.

Chairman Dornbush: How is the study going to work for individual on social security that are going to have pay these increases. That is very concerning to me and a lot of other people. If we could maybe, make those 2 thousand gallons at 50% cost. Something to keep it low for the single person occupancy that are use to that \$20 water bill. Maybe do something to cut the people who barley use any a better deal. I see the writing on the wall it's not ok.

City Manager Whitehead: I didn't come in and say I can't wait to raise the water rates. I get that it's a challenge but if we look at it from a pragmatic standpoint, we have 50 million dollars' worth of water projects. The money came with a loan it has to be paid for there is nothing we can do. Hopefully we will end up with a better system and potentially when we get to a better standard then it can go back to a normal 3% or a CPI adjustment after we get it stable to a spot where its covering the debt and it's not always a 6% rate.

Chairman Dornbush: I'm concerned about the 5% increases in trash and wastewater ever year. That seems to go on in perpetuity.

City Manager Whitehead: That is going to continue. In the wastewater side of the house I asked them to figure out a way that we can borrow 5 million for wastewater plant renovation in there model they have done so and they have come up with it but it is going to require a 3 year 25% rate wastewater increase to get to a level where we have enough cash flow to then borrow 5 million. The only saving grace there have about 2 million of that right now in our hands. We did an application for 2.6 million to the water trust board this year. We will know that answer by March or April of next year. If we could do that hypothetically we could get the wastewater treatment plant back up to a standard where it can be a 15-year project and we could potentially not have to go 25% we could go 10%. We can't get out of thinking to a number where we can still get some debt because we are going to have to pay debt on the plant or even the distribution system. We are getting ready to do a study on all of our collection system and so at some point we are going to have to begin seriously improving that system.

Chairman Dornbush: What part of the plant is in deficiency.

City Manager Whitehead: The weirs continue to be. We received a million dollar grant from the governor we are beginning the studies so we can replace the fiber glass weirs with stainless steal. That's not complicated. The headwork is still down so we are trying to make the decision do we redesign the head works and start over, or do we just replace the mechanism that is broke. The meeting today with the engineering firm kind of tilted toward replacing them and make the system work like it was designed. The other deficiencies are that the Environment Department wants us to completely close the old clarifiers. They are only have covered so they want those to be completely put to bed and then the drying beds they would like to see the clay liners cleaned out. We talked to them about saving them and pouring concrete in the bottom to use them for additional drying beds. That is the second part of our deficiency. The head works and the weirs seem to be the biggest part. We were on site today and we have not had a good July and August. We are kind of broken in a few places that we need to fix our water system has sprung a lot of leaks we can't keep up. Then that leads to not enough staff at the wastewater plant so we have some weed growth we have some things that we need to catch up. We are looking for some cold weather here to get to that. There is other things there that really need to be taken care of.

Chairman Dornbush: The head works is really important. The weirs that's top priority. The weirs are what going to put us in violation.

City Manager Whitehead: I hadn't looked at the weirs in probably 2 months. Probably even since you and I had walked the plant and it's clear today the weirs are in worse condition then they were. One set seems to be operating ok it's just sneaking by. It's still fairly level. The second set has continued to rise so there is almost a dam blocking one side so its causing uneven flow. But good news as soon as we get the contracts back. We will have the money to fix that problem in year to 18 months. It shouldn't be a problem we should be able to get that done.

Member Avelar: How about the vacuum system on North East Riverside?

City Manager Whitehead: We have some funds. We had a contracted that was approved but the contract expired in September and because its federal funds the state made us go back to RFP. We have a proposal to redesign the 51 pits so that they don't filled with water and then we are going to go in a replace the vacuum like on Hagen Street. The teams feels that's the biggest problem it has leaks. We are prepared we have the funds as soon as the RFP is approved by the state we have sent it to them last week. When we get that we will go back out to RFP and we will get the engineer on staff and we will get started on that. The third piece of that is we already replaced the pumps to the gravity feed side as well. We will rebuild what I'm calling the center of the vac system. We will put new motors put new switches. We will get that rebuild, we will be connected well. If we solve the leak problem we should be good and then we should stop the infiltration of rain water into the

system which then causes the problems. Potentially it survives and then gives us the ability to look at doing something different in the future. I still think that going to Elephant Butte and partnering with them in that area is the right decision. Figure out how do we build a gravity feed and then send all the effluent that way.

Chairman Dornbush: Any water we can keep out of our sewage is good.

City Manager Whitehead: They are interested in partnering especially as they think about building effluent water that they can use to on their golf course. There is a win for them and there is a win for us.

Chairman Dornbush: Let's hope that happens.

City Manager Whitehead: We will continue to try to mature that. We think that is the right path. I also want to point out both for Bo on his study and this study we have committed to the public that we will hold some public meetings in the evenings at 5:30 with the engineers of T&D said they would come back, though the consult from water may join us via video call, they might even come back. But are going to hold some public meetings. This study if it was to be accepted and the commission chose to take the 8% and 6% it would not happen until the budget cycle of next year. We are going to give it some time to have some public input to think about and consider the best opportunities and the best path forward.

d. Discussion/Update: Water/Wastewater Funding/Projects.

Assistant City Manager Alvarez: As City Manager mentioned we just went out to bid we are getting ready to potentially award the shovel ready project at the next commission meeting this Wednesday. That project is funded by 4.8 million in Colonias Funding and 4.4 million in Capital Outlay Funding there about. We used a little bit of the Capital Outlay to finish up some of the MSD project. Rough cost there. Of that total from the 4.8 from Colonias \$440,000 of that is loan, we also have a match side of that as well of \$440,000 just in shovel ready alone. That one is going to cover the area of approximately 16,000 to 17,000 linear feet of pipeline. It's going to be around the Cook Street over to Morgan area. A little section at McAdoo and Daniels by Main Street and Boardway. 9th and Ash near north Pershing and ending at 8th. Then along 8th and North Silver Street starting around Ash and ending at 9th. Also 2nd Street starting at North Ash ending around Silver Street and a section at Date Street and East Riverside it will start at Broadway Street and end over at Cedar. This project was put together from all the other different pots that we had that we didn't have enough funding for when we went out to bid. The projects were shovel ready because they were all designed. That is why they are sporadic around town. We should be hitting the ground for construction here soon. The next one we are getting ready for and normally I would separate these but do to some turn over at the USDA level and now of course the furlough that they are on. I think we are actually looking at WISPI1 and WISPI2 hitting construction about the same time. WISPI1 we are just waiting for USDA concurrence to go to bid we have had a little bit of a stumbling walk with the new person that came into USDA they kind of follow the rules of the federal level a little differently than we have in the past so the decided that we needed to have a full title search for our entire water system not the pipes along the streets but our booster station, our wells, and the treatment plant. That required a title company to dig back into the 1940's, 1950's so it's taking a little bit but we are almost there we are working with the attorney. It has delayed us just a bit and then of course during that process USDA went on furlough. We are waiting for them to come back and maybe it will all come in at the same time. WISPI1 is going to focus on pressure reducing valves it will also replace around 15,000 feet of pipeline. We have the PRV it will be installed near Kopra, Date, Pershing, 9th Street, Silver, Holden Road, Broad and Corona Street. Another by South Broadway near the Veterans Memorial and another at Pershing and 8th Street. There will be replacing some water lines

around New School Road, Yucca Heights Road area ending around 9th Street area. Marie Street from Date to Cedar. Holden Road from East Marie to Bosque Drive and then up by Kopra from the golf course over by Marie Street. That bounces a little bit around but those kind of focus on some of the areas to help the pressures. The WISPI1 project is a 7.5 million dollar project of the only 2.7 million of that was grant 4.8 million of that is a loan that is hitting our water system. WISPI2 we are ready to go to bid on that we are just waiting on USDA and the title search. That one is for Veater Street and Riverside Drive. It will help create the loop there for Williamsburg. We all know what Veater Street and that water line looks like. We are getting ready to go to bid on that one finally which will offer a lot of relief for those people. WISPI2 is a 9.9 million dollar project. We did a little bit better on that one for grant versus loan. On that one 7.2 is grant and only 2.6 million of that is loan. What we are calling our critical water line replacement that one is in design right now we hope to have 60% design done by the end of this year. That one is really going to focus on all the metal streets off the Veater area and address all those as well as the main transmission line down 3rd Street. That is approximately almost 34,000 feet of line.

Chairman Dornbush: Does this cost include replacement of the asphalt?

Assistant City Manager Alvarez: They will replace the asphalt not the entire street just the section that they cut into.

Member Avelar: Does this mean you are going to come back down Marshall?

Assistant City Manager Alvarez: Let me double check that and I will get back with you because I think we did Marshall as part of our Drinking Water Project.

Member Avelar: You have already gone through part of it.

Assistant City Manager Alvarez: Yes, so that might be within our shovel ready. I don't recognize Marshall as part of the shovel ready but I'll double check in that area. The Critical Water Line Project that is a combination of funding as well. That one is 1.6 million was giving to us through Hud through Senator Heinrich and we are using that as our cash match portion of the 16 million dollar we were awarded through Water Trust Board. With that comes a 1.6 million dollar loan on our water project. The good news is that we are roughly looking at about 44 million dollars total in water projects that are all pretty close to either hitting the ground and tear things up or like I say Critical Water Line is at 60% so we are maybe 6 months to a year out before that goes to bid. Of that 44 million almost 10 million of that alone is loan. On the wastewater side we have the wastewater collection system PER that was a \$210,000 Colonias Funding. Its roughly a \$19,000 loan component that goes with that for the wastewater. We are just waiting on the final grant loan agreement to come back from NMFA and then we will get started in engineer selection at that time to start the PER. We want it to be similar municipal water PER so we will have the full GIS system and everything. We received the bar screen funding through Colonias that was \$335,000. That can with a \$30,000 loan. Wastewater improvements that we received the 1 million all though out of that 1 million \$10,000 was allocated to Art in Public places so for the wastewater treatment plant funds we have \$990,000. As City Manager Whitehead said we are working on identifying what those funds will be going towards. The City Manager and the Mayor went out and did the presentation to the water trust board a couple weeks ago. That was for the request of 2.5 million for the wastewater system improvements. That was there ask it sounded positive from the sounds of it.

Member Avelar: All you guys finished with the lift station at the end of Clancy?

Assistant City Manager Alvarez: The Clancy lift station was funded during out Phase 2b. That was quite some time ago.

Member Avelar: I know it was but I was wondering if you guys were going to go back down there for any reason. I don't see any problem there but.

Assistant City Manager Alvarez: The only thing I know that we have requested some funding for the Clancy side is definitely that main transmission line. If we were to get the funding for that line. I don't know how familiar you are with the Clancy lines but the Clancy line is the collection line that is going to take all the wastewater from the north end of town. It takes over the hill behind the Veterans Home and sends it off to our sewer plant. We figured it was 2/3 of the city roughly on it. We did ask for funding to replace that line and if we did do that line replacement then we would have some improvements we would need to do at the Clancy lift station at that time.

City Manager Whitehead: They city has had a request in to Senator Laquan for a couple years on that and also Mr. Vasquez. Both of those we have asked for funding. We were turned down again this year but it continues to be an ask. If there is a problem I apologize I have not been made aware of any issues at Clancy.

Member Avelar: There aren't any problems I just know that the line right there is used quite a bit and it's the only one we have there.

City Manager Whitehead: They crew has brought me on slowly so they haven't identified that one yet.

Assistant City Manager Alvarez: The benefit of getting the wastewater PER. Right now in order for me to apply for USDA funding, Colonias or Water Trust Board you have to have a planning document. For the Clancy lift station main transmission line we have only been able to seek out the Capital Outlay Funds because we don't have a full planning document. That transmission line will be part of our collection system PER. Once we get that PER done it will open the door for us to be able to go through and start applying for some of these other funding sources that all require a planning document as part of their application.

Member Avelar: I understand that all to fully.

5. REPORTS FROM THE BOARD:

There were no reports from the board at this time.

6. REPORTS FROM STAFF:

Chairman Dornbush: I have a question for Jamie. Is there an order control on Clancy Street at all?

Jamie Foreman Water/Wastewater Interim Supervisor: Not any longer.

Chairman Dornbush: What happened to it?

Jamie Foreman Water/Wastewater Interim Supervisor: It's been put off line for the last 5 years.

Chairman Dornbush: It was pretty stinky the last time I went by there. I was wondering if that was the case.

Jamie Foreman Water/Wastewater Interim Supervisor: We do have deodorizer that we can spread out there when it gets pretty warm. But we don't have an automated one.

City Manager Whitehead: We put the water leaks back up on the website we are trying to keep that posted. I think we have had over 60 now they just crept up. The good side is that it appears that they all seem to be service lines. The critical ones the crew gets on but we fix 15 and we end up with 15. Jamie and I have spent a lot of time together over the last couple weeks. We are trying to figure out the

best scenario. We are down a few staff. We are having some challenges. We haven't had our best month. We recognize it's a problem and we will continue to work on it. I don't have a good answer other than to apologize for the fact that water still runs down our streets.

Chairman Dornbush: It's not your fault. We were given a warning of this when I first come on the board many years ago that there was 60% of our lines that were ready to fail at any moment so this is what is going on. Seems like you are doing a great job on getting right on the big ones.

City Manager Whitehead: The big ones are easy. The little ones are not.

Chairman Dornbush: The little ones can become a big problem also.

City Manager Whitehead: What happened is we tried to build a list we tried to put them in order then you get a couple of big leaks and then a few more little leaks and that caught us. It just created a snow ball affect of we didn't fix them. We weren't aggressive on the days we should have been maybe. We were thinking we had it organized and then it just kind of snowballed into a problem.

Chairman Dornbush: At least we are dealing with it. It's not being shoved under the rug.

City Manager Whitehead: No. The crew is doing good. We need 2 people still but we haven't lost any of the core staff. They are staying with us. I don't want to put any pressure on them. They show up and they get in the hole and they are doing there best. We are appreciative of that.

Member Sisney: The repairs the 2 near my house that have been fix with in the past couple months are leaking again. I understand that a technic was being used where they crimp the line to allow to shut off the water so they can fix it but then it fails where those crimps are. Is that technic still being used because the 2 that were repaired in the past month or so are leaking again in my neighborhood.

Jamie Foreman Water/Wastewater Interim Supervisor: When we crimp the line like that we then put a clamp around where we crimped so that if there is a failure with in that crimp site its already covered. With the poly line depending how long the poly line is it can then break 6 inches from it again. If we have come out more then twice then we do a full line replacement on that poly because we have determined that the poly has degraded enough that its not going to hold anymore.

Member Sisney: Is there a way to do the repair with out crimping? Can you not just shut down the water supply.

Jamie Foreman Water/Wastewater Interim Supervisor: Where the service line connects we would have to dig out to the main and in some cases that's not feasible just because of how long that service line is and because of where the shut off is for that line is at the main. We have had service lines that run to 150 feet and so we would have to tear out from where the leak is all the way to back to the main and replace that whole section with fill in dirt and if it's on paved street then the street department would have to come in and repave it.

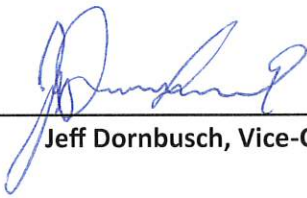
Member Sisney: I don't have a good understanding of how this is done. I haven't seen it. I ask the question because again will they be able to do there repairs with out using those crimps.

Jamie Foreman Water/Wastewater Interim Supervisor: Most the time yes we do them live we don't crimp them. It depends on how high of a pressure that line is if we have to crimp it. Normally we don't crimp poly line. We tend to crimp copper more at that point when we crimp copper we replace the whole line. We are not patching crimped copper.

7. ADJOURNMENT:

Chairman Dornbusch made a motion to adjourn the meeting.
Vice-Chairman Armijo seconded the motion.
Motion carried unanimously.

PASSED AND APPROVED ON THIS 20th DAY OF JANUARY 2026.



Jeff Dornbusch, Vice-Chairman