

Mayor Ken
Miyagishima

WORK SESSION AGENDA

Monday, February 28, 2022 at 1:00 PM

Mayor Pro Tem
Kassandra Gandara

Councilors
Tessa Abeyta
Becki Graham
Johana Bencomo
Becky Corran
Yvonne Flores



City of Las Cruces®

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City Council Chambers

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Council Work Session Summary

Meeting: Work Session - Feb 28 2022

TITLE: NATURAL GAS RATE REVIEW.

PURPOSE(S) OF DISCUSSION: ☒ Inform/Update ☐ Direction/Guidance ☐ Legislative Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

On December 13, 2018, the Las Cruces Utilities Board of Commissioners (LCU Board) approved Resolution No. 16-17-088B, approving Amendment No. 2 contract to Stantec Consulting Services, Inc. for the Solid Waste and Gas rate reviews. On December 13, 2018, the LCU Board authorized the rate review for the Natural Gas utility.

The Utility Customer Advisory Group (UCAG) reviewed the Natural Gas Rate Review documents and all suggestions by the independent consultant. The Natural Gas Revenue Requirement resulted in a \$2.4 million gap by the Natural Gas utility. Three (3) options of increasing the Natural Gas rates were brought forth: a full cost option, a limited phased-in option for the two most impacted customer classes (small and large commercial) over three (3) years, and a full phased-in option for all customer classes over three (3) years.

The UCAG held four (4) community conversations starting on May 5, 2021. A total of 17 people attended the public outreach events. The UCAG also received 29 emails during the public outreach period. The following responses were received from the public: 21 individuals requested no increase, 10 individuals requested the full-phased-in option for all customer classes over three (3) years, two (2) individuals requested a limited phased-in approach, and three (3) individuals requested the full cost option.

On August 25, 2021, UCAG met and approved an alternate rate option to the LCU Board, which was a new rate option not previously brought forth: a full phased-in option for all customer classes over three (3) years that includes a 20% increase in the first year, and a 40% increase in years two (2) and three (3).

On December 9, 2021, the LCU Board voted and determined the recommendation to City Council be option 3, wherein new rates will be phased-in over three (3) years for all customer classes, no new debt will be included in the revenue requirement calculation, and for the new rates to not be implemented until the Emergency Commodity Recovery Surcharge is complete.

PLAN(S):

Department Strategic Business Plan

COMMITTEE/BOARD REVIEW:

UCAG, Utilities Board



Council Work Session Summary

Meeting: Work Session - Feb 28 2022

TITLE: GO BOND QUARTERLY UPDATE

PURPOSE(S) OF DISCUSSION: ☒ Inform/Update ☐ Direction/Guidance ☐ Legislative
Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

City staff will present a quarterly update on the status of GO Bond projects. The update is intended to provide current information about the projects by highlighting background, status, and estimated timelines for both the design and construction phases of implementation.

PLAN(S):

Department Strategic Business Plan

COMMITTEE/BOARD REVIEW:

None