

**MINUTES OF THE CITY OF LAS VEGAS SPECIAL CITY COUNCIL MEETING HELD ON  
WEDNESDAY, JUNE 25, 2025 AT 10:00 A.M. IN THE CITY COUNCIL CHAMBERS.**

**MAYOR:** David Romero

**COUNCILORS:** Marvin Martinez  
Barbara Casey  
Michael L. Montoya  
David Ulibarri

**ALSO PRESENT:** Robert A. Anaya, City Manager  
Casandra Fresquez, City Clerk  
Caleb Marquez, Sergeant at Arms

**CALL TO ORDER**

Mayor Romero called the meeting to order at 10:00 am.

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**MOMENT OF SILENCE**

Councilor Martinez asked for a moment of silence as it's a very important day for the community as they make a decision based on the quality and water delivery to the people. Councilor Martinez asked to keep their hearts, soul and prayers in it so they can always make good decisions moving forward for the community.

**APPROVAL OF AGENDA**

Councilor Casey made a motion to approve the agenda as presented. Councilor Martinez seconded the motion. Mayor Romero asked if all were in favor. All were in favor.

City Clerk Fresquez advised the motion carried.

### **PUBLIC INPUT**

There was no public input.

City Clerk Fresquez advised that City Manager Robert A. Anaya recommended that the minutes for June 25, 2025 be verbatim due to the subject matter. City Clerk Fresquez asked if there was a consensus. All were in consensus.

### **BUSINESS ITEMS**

1. Consideration and possible action of the State of New Mexico Intergovernmental Agreement with the City of Las Vegas.

City Manager Anaya stated the following; "Thank you Madam Clerk, Mayor and Council, before I get into the text and the content of what we're going to discuss today I want to highlight what Councilor Martinez just said. I think that today's discussion regardless of the determination, the questions on the ultimate outcome, the discussion that we're going to have is a very intense discussion associated with the future of the city of Las Vegas relative to the water treatment facility and the plant. I think that puts a good frame of reference on what we're going to dive into today. The other thing that I wanted to add is in just a short amount of time here at the City of Las Vegas I want to attest to each of you here, the Mayor and Council that the staff that exists at the City of Las Vegas has been through a lot just like you have and are an exceptional group of folks, I want to say that on the record. I also want to say that the support structures and consultant members that have facilitated supporting the City of Las Vegas are put in the same regard. It's been a humbling experience over the last several weeks in particular related to this particular issue and the manner of which it came about. The team has been front and center, I pulled in additional members of the leadership team

into the discussion that weren't involved previously and so I've been real cognizant to make sure that the City Clerk has been included and other department leaders that are here today, some of which had other commitments but they're going to stay in the process regardless of the determination of the Mayor and Council to this decision because it's important that we keep our leadership informed, it's important that we keep the overall City informed and work together in a in a strategic manner. Regardless of the outcome of today's discussion you have a good team and we're going to continue to work together to work through the challenges that lie ahead. The first thing I'd like to do if it's okay Mayor, is I would like to Mayor and Council also so one other thing I wanted to note there continually will be things that come to you from me and in my responsibility of City Manager and my preference is to get them to you as soon as possible but note that there's no malice when I get them to you when I get them to you. I'm specifically referring to a document that you received yesterday that I've had for over a week relative to Dr. Howe's recommendations. Dr. Howe is here today and he's going to get into some discussion about those recommendations. We went through those and I went through them myself for the first time in detail yesterday. We went through that particular document yesterday not just myself but we went through it with the whole leadership team and I said we need to get this in the hands of the full Council right away. I just note that because it's an important document and I think it's a good document like I said and you'll hear me say it many times today whether or not you make a determination to move forward with the state of New Mexico or not. That particular document I think is a good structural outline on what should be included as any entity for that matter would seek the construction or plan, design and construction of a treatment facility of this nature. We'll get into that more later but I did want to note that as well on the record. Thank you for affording the City Clerk the opportunity to do verbatim minutes on this particular meeting. I think it's important for the record that we capture everything verbatim, regardless of the determination that the City makes. I'd like to just go ahead and jump in by asking the Mayor and Council if you could, I provided a memo that captured feedback that I had received from the Mayor and Council. We have some other items as well that we want to help the Council address that were raised by the Mayor and Council. I wanted to just start

off by going to you first to provide us, myself and I have our team ready to help facilitate answering or clarifying questions. I wanted to, if I could Mayor, go to the Council first to hear some of the key things that they have questions on still and clarity that you're seeking as Mayor and Council."

Council Ulibarri stated the following; "Thank you Mr. Mayor, this is a very important document, Mr. City Manager it's been taking awhile to take care of this but what I say is the Hermit's Peak Fire ruined our facility, not really ruined it but it was you guys took care of it, whoever was in charge but now we have a document here that's going to be here for a lot of years. The main thing here in this small town is water, it's always been water since I've been around. It's something really special to our Council and City staff. I want to acknowledge everyone that's been involved and getting this thing taken care of. Hopefully we can go forty or fifty years without having any problems. We are going to have a little bit of problems but we can take care of it and that's part of our journey. I want to thank everybody for doing a fine job on this thank you."

Councilor Martinez stated the following; "You know just listening to Councilor Ulibarri mention how far this goes back, is an important step. How we move forward I guess, our community has suffered water problems for you know eighty to one hundred years. The size of this community is based on the ability to make water for our community whether it be businesses or residential or anything else moving forward. I just hope that we could always come to a consensus in reference to leaving the dirty politics out of making any good decisions for our community. I want to make sure that we can always work together with the state naturally. It's an important piece because they also hold a big hand in permitting and all the other resources that they can offer but nevertheless if we can keep politics away from this and make our community whole by offering them the quality of life that they deserve. That quality of life is assuring them that they have the water they need to succeed in life and for our community to succeed so I just you know it I want to make sure that we have good direction and we understand the fact and that we are wholeheartedly involved in making good decisions moving forward. I just applaud the team for everybody being here. I appreciate

the opportunity to be a part of this monumental movement of making sure that our community survives and that we do what's necessary to make that happen so thank you Mayor.”

Mayor Romero stated the following; “Councilor Montoya.”

Councilor Montoya stated the following; “I’ll refrain from comments until I hear from the presenters.”

Councilor Casey stated the following; “I think I probably have a lot to say, first of all, I want to thank Dr. Howe for his email. I thought that he brought forth a lot of salient parts that we need to really think about and focus on and I appreciate that very much. I think that this is not an agreement that we should take lightly or that we should act on just because whoever says this is something that you need to do. As I've said before at the last meeting, I have some real concerns about the state stepping in and the idea that they can subcontract with whomever they want is a real issue for me. I know that they clearly believe that they have experts but just from personal experience from having served in the legislature for 12 years and always been involved in what's happening at the legislative level. I have some very serious concerns about really how much expertise the people who are currently there have and I'm not saying that they're not qualified to hold the positions that they have, however I don't think that they have the expertise, the same expertise that we have currently with the Sulzer Group and others that we have already had contracts with and that is a real concern for me. I also have a real concern about the state wanting to use investment money from the \$98 million for you know whatever they pretty much want. It says utilize investment income from advanced federal or state law if needed. I have a problem with that because that means that they can do whatever they want with investment money and we don't really have a say in that and I don't like that one bit. I think there are a lot of issues with the new wording that has been added to the agreement and I don't agree with much of the language and I did look it over very carefully several times over the weekend and so I have some issues with that. I would like to know how much of the loans that we got in from the 2023 and 2024 SB6 loans, how much of those

have been paid back, how much do we owe and whatever has been paid back where did that money come from? Did that money come from our general fund? Where did that money come from in our budget? I need to know those things before I feel comfortable about this. It says that the state will be the primary liaison with federal agencies regarding overall state level of compliance and reporting. I don't quite agree with that either, in terms of the state will receive FEMA public assistance reimbursement on behalf of the City, I definitely don't like that because we may not even be told what kind of reimbursement has been received by the state from FEMA funding. Will they let us know how much the reimbursements will be and one of the items even reads that the state will conduct reviews and audits of the city's records but if we don't have pertinent information how can they do that with any credibility. I'm very very concerned about that too, I'm concerned about the agreement that we have with FEMA. What happens to that? Is it just going to sit there and pretend we don't have it? Is it going to have to be reworked, what will happen with that agreement? They have a timeline for us, I think it's a reasonable timeline and although many people think that we're just dragging our feet, I don't believe that we are. These types of issues take a long time to get the right people to plan and design a new water treatment facility. It takes time to put out an RFP. You can't do an RFP in a month for a project like ours. It's huge and so we need to make sure that we have people who are qualified to do what they need to be doing."

City Manager Anaya stated the following; "Mr. Mayor and Councilor Casey, could you go over the item before that one, I'm going to capture these and I want to address them one at a time if I can, the item before the timeline."

Councilor Casey stated the following, "I don't know what I said from the item before."

Mayor Romero stated the following; "It was public assistance."

Councilor Casey stated the following; " The MOU?"

City Manager Anaya stated the following; “The connection to the MOU.”

Councilor Casey stated the following, “This is, I know Councilor Martinez said let's keep this not political but realistically speaking, how many people in Las Vegas have said the Council is doing nothing? They don't know what we've done because we have not been transparent enough and although attempts have been made at transparency, people still do not know what's going on. They think we all just divided up the \$98 million among ourselves and we're having a wonderful time with it. That line of thinking has to be dissipated and erased. I'm concerned about the public perception especially for those on this Council, the Governing Body, the Mayor who may want to run for office are going to be dead in the water if we just hand everything over to the governor, to the state and say we knew it they don't even know what they're doing, they're going to give it to the governor and let them worry about it. Is that the kind of perception that we want, I certainly don't, my reputation is very important to me. What I do is very important to me and I want to make people understand that while I am here on this Council everything that I do is focused on what is best for the community, not for myself. There's a lot to think about, I think that this would be a very negative move on our part and I think that we have to be very careful about what we do and if this Council chooses to vote in favor of this agreement then the repercussions of having done that will have to be dealt with in the future. I don't know how well that will actually resonate with how things really should be going. That's all I want to say for now, thank you.”

City Manager stated the following; “Mr. Mayor, Councilwoman Casey, what I would like to do is I'd like to take them one at a time, so I'd like to first have Mr. Madrid if you would come to the microphone please and if you need to bring any papers with you please do so. The first thing I'd like you to address is Councilwoman's first point, please provide a breakdown of the SB6 resources, \$21 million dollar allocations from three different pots and where we have made expenditures associated with SB6.”

Finance Director Madrid stated the following; "The short answer, Councilor, is yes, it is about \$21 million. We have made expenditures related to emergency work and water. We have three main vendors that have provided services to us. We have a record of their expenditures, a summary and it includes purchases of water, the temporary Veolia system, earthwork and other work related to the winterization of our water treatment plant, electrical power things like. The main expenditures have been for water, provision of bottled water and trucked in water. For those three main things we have spent, our record shows about \$11 million dollars. There may be some of that, that is not reimbursable from the February incident. To answer your other question, we have not repaid any of this loan money, not one dollar has been repaid yet."

City Manager Anaya stated the following; Mr. Mayor, Councilwoman Casey's question, Mr. Madrid, they're eligible for use to be drawn from SB6 money but we have made no draws against the payments back to the state for work done."

Finance Director Madrid stated the following; "That is correct."

City Manager Anaya stated the following; "We're tracking the eligible payments."

Finance Director Madrid stated the following; "Yes."

City Manager Anaya stated the following; "And utilizing the SB6 money for the items you just articulated."

Finance Director Madrid stated the following; "That's correct and we understand that we have to do kind of a dual tracking, some for the state and some for the federal government so our records are required to be maintained to comply with both."

City Manager Anaya stated the following; "I want to make sure that we're clear, we've spent, associated with SB6 loan resources that were provided by the legislature \$11 million."



Finance Director Madrid stated the following; "At least \$11 million."

City Manager Anaya stated the following; "Mayor, Councilor Casey, members of the council, this goes to your point made earlier, duly noted that it's incumbent on us to convey to yourselves and to the public the actual use of resources that are connected to the resources provided by the legislature which in the meeting on May 28th was referenced as zero, right? It's on us to do a better job to convey those expenditures in this forum so that you have the information as well as the public. Thank you, Mr. Madrid, you can just sit right there for a minute and then we'll go through some of these others."

Councilor Montoya stated the following; "Before you move on, Mr. Anaya, Mr. Madrid, out of Senate Bill 6, we borrowed \$14 million?"

Finance Director Madrid stated the following; "Yes."

Councilor Montoya stated the following; "We spent \$11 million?"

Finance Director Madrid stated the following; "It's a total of around \$21 million."

Councilor Montoya stated the following; "Okay and we still have \$14 million available."

Finance Director Madrid stated the following; "No, we have, I would estimate around \$3 or \$4 million available, we've accumulated, I'm going to estimate over \$15 million in expenditures. The \$11.6 I just quoted are for three vendors that had been questioned earlier."

Councilor Montoya stated the following; "You're saying that the balance of it is going to be used for what?"

Finance Director Madrid stated the following; "It's got to be used for the same intent as the rest of it. There are some expenditures that may or may not qualify. I'm estimating we have some money left, but we've spent the majority of it."

Councilor Montoya stated the following; "To clarify, \$10 million for water usage, of bottled water and transfer water was paid out of that or no?"

Finance Director Madrid stated the following; "For the June event?"

Councilor Montoya stated the following; "Yes."

Finance Director Madrid stated the following; "Yes."

Councilor Montoya stated the following; "That was already paid off?"

Finance Director Madrid stated the following; "I believe most of those have been paid off, I'm not sure that all of them have been paid. We've had delays in invoicing."

Councilor Montoya stated the following; "With that money?"

Finance Director Madrid stated the following; "Yes."

Councilor Montoya stated the following; "That was done within the last week?"

Finance Director Madrid stated the following; "No, within the last week, we received invoices from some of these companies for the February event. That's completely unrelated to the June money to the SB6 money."

Councilor Montoya stated the following; "Last week's meeting that we had, it said we owed \$10 million outstanding for water transport and water bottles."

Finance Director Madrid stated the following; "That's for the February incident."

Councilor Montoya stated the following; "Yes."

Finance Director Madrid stated the following; "Not the Senate Bill 6 money."

Councilor Montoya stated the following; "So that's still outstanding."

Finance Director Madrid stated the following; "Yes."

Councilor Montoya stated the following; "Okay, thank you."

Finance Director Madrid stated the following; "Still outstanding."

Mayor Romero stated the following; "There's a separation. Councilor?"

Councilor Casey stated the following; "In looking at the Senate Bill 6 documents that are in our packet the Senate Bill 6 loan of April 2024 was \$14,964,619. That says that in the agreement with the city, the city has to pay within 30 days of receipt of approved federal public assistance funding. So we haven't paid any of that back and then in June 2024 from money from the Senate Bill 6, 2023 appropriation it says that there was \$5,689,958. Where are we, are you just combining those two? Can you talk about Senate Bill 6 or which one has been used to pay what?"

Mayor Romero stated the following; "Councilor, I don't know, Morris, Deb could probably help here. So, the \$5 million was specific for the pre-treatment plant. So there's a separation between the two funds. So, the \$5 million is more specific, if Mr. Manager, if Deb could join and just for clarification."

Deborah Sulzer stated the following; "Good morning everyone, just for clarification, I think that it's important that everybody understand that the Senate Bill 6 money was tied to FEMA public assistance projects that were in the queue. So based on where they were in the FEMA process the governor allocated \$100

million to the disaster to then take and front that money ahead of time to facilitate the cash flow of those projects. The \$5.6 that one of those loan agreements refers to had to do with the temporary facility. So that \$5.6 million was fronted to the City and then what we're doing on the public assistance side is we're building the project to then have the proceeds to pay off that loan. So all of the expenditures that Mr Madrid talks about with regard to the water treatment facility, the temporary facility, that is being tagged to the \$5.6 million. So that would include the active flow, Veolia that would include the installation construction related to that which is I think Magnum is the primary. That would include a lot of Alpha Southwest invoices that had to do with repairs and things that had to be done to the current facility to get it into that stable steady ready set so that we can operate that as the temporary facility. That would include if the City were to pursue the GAC system that we asked for in the temporary facility. That would go to deal with the sledge pit modifications that had to be made. A lot of things could go into that bucket of money and those are included in the temporary facility project that's currently with FEMA public assistance. So to your point a lot of the reimbursement funding that we're looking for pursuing in that particular project would then go to the City and then the City would repay the \$5.6 million. The same goes for the other two loans, I think they were two other ones one for \$14.1 million and \$2 something million. Those were actually tied to debris projects that had been obligated by the City when we had the June event. The City Manager and I don't remember who else I was in the room specifically asked DFA and DHSEM if those proceeds could be used to fund the emergency that was ongoing and there was permission granted. That's sort of the history on Senate Bill 6, so most of it's tied to a FEMA public assistance project."

City Manager Anaya stated the following; "Mr. Mayor and Councilwoman Casey, I would add this clarifying point, so the intent of the SB6 money has been utilized within the intent of the law but we have not received reimbursement yet to be able to pay back the state of New Mexico I would just make that clarifying point."

Mayor Romero stated the following; "For clarification Deb so when you do put in these projects they get approved through DHSEM and then FEMA does pay for

public assistance at the end the money will never come to the City it'll get paid to DHSEM that basically pays off the loan am I correct in saying that."

Deborah Sulzer stated the following; "On the \$5.6 for sure, that'll go to DFA to repay that \$5.6 million loan. So the reimbursement that we'll receive for the funding for the temporary facility up to \$5.6 million will be used to go instead of going straight to, it'll come to the city but then it'll go to DFA for repayment of the loan. I mean there are provisions that say you can not do that but I think it's the intent of everyone to repay the loans, they're pretty flexible. So if the temporary facility goes say the cost if everything that we asked for, for the temporary facility gets funded it'll be more than \$5.6, so then after that \$5.6 million loan is paid off then any expenses that the City incurs at that point would come straight to the City and it wouldn't have to go to DFA at that point but that's tagged just to the temporary facility."

City Manager Anaya stated the following; "Thank you Mayor, thank you Deborah, you guys can just sit tight for a minute. A question that you raised Mr. Mayor, Councilwoman Casey, reimbursements on behalf of the City associated with this agreement, if the agreement was initiated would we be involved? I will comment this way and this goes along with the discussions in the back and forth that went about related to the first document to the last document in coordination with Mr. Zamora our Counsel. I feel comfortable in the document that we will be at the table associated with determinations throughout the project from the inception through the completion. Before I walked in this room, I had another follow-up conversation with Mr. Zamora and I asked that very question explicitly. It's important to the City Council and to me as the manager of the City and the staff that we have involvement throughout the process from the beginning through the construction through the operation and through the ultimate hand back to the City of Las Vegas on the work. Based on those discussions and the language that we added to the agreement, we will be part of the discussions and the implementation from the start to the end, including reimbursement requests associated back to the City. I give you that feedback based on our work that we did in negotiating the agreement and the feedback that I got back from our

Counsel Mr. Zamora associated with that particular point. How can we audit if we do not know what's going on? That's an excellent question associated with the document. We are as part of the joint agreement responsible to review along with the state of New Mexico, what's happening and be part of the decision-making process as it evolves. Mr. Madrid could you speak to the document relative to the reimbursements and our involvement as part of the agreement.”

Finance Director Madrid stated the following; “Well the document says that we are responsible to reimburse the state, there is not any language there nor could there be that would relieve us of our responsibility to review for compliance with all state and federal regulations. Our own internal controls would remain in place, so if for example as an outlandish example, I received a reimbursement request to pay the governor of New Mexico \$50,000 consulting fee, absolutely our controls would take effect and we would not allow that, we would question it. So it is not as if we would not review for compliance and all the normal controls that we have in place would remain in place and we'd be required still to comply with all the legal and ethical requirements that we comply with today.”

City Manager Anaya stated the following; “ Mayor, Mr. Madrid, could you comment, we had a specific question related to the interface between the federal requirements and Councilor Casey noted our obligations with FEMA but can you comment on the feedback that we got relative to compliance with federal requirements as well as state requirements. It's actually explicit in the agreement and the feedback that we received from Mr. Zamora this morning.”

Finance Director Madrid stated the following; “Well, I think there’s two components to that, one regards cash management and the other regards procurement. ”

City Manager Anaya stated the following; “You can discuss both.”

Finance Director Madrid stated the following; “The first one in regard to cash management we've had discussions with our attorney and some federal legal

counsel in regard to that. It seems that under this agreement, the investment earnings would be tied to the principal of the \$98 million that we received. We don't disagree with that, where the questions arise are in that particular regard, we have a minor question, maybe a major question on is it settlement versus normal federal funding. There may be different guidelines for that but the real conflict that I see in federal regulation is that if federal regulations apply and we have language in here that exempts the state from complying with the procurement code then where does that leave everyone in compliance with federal procurement? That's not addressed here and that is a major question. Those are things that remain unresolved. We do not question at this point that the investment income remains tied to the principal."

City Manager Anaya stated the following; "Let's take it one at a time, there actually is a provision here that directly connects federal compliance with state compliance in the agreement that we have in the last version but speaking to the interest piece is what you're speaking to. Do you want to elaborate on that particular piece, since you brought it up."

Finance Director Madrid stated the following; "In normal federal regulations, you should not be able to earn interest or other investment income on federal dollars and be able to keep it. It's either turned back to the government in some way in some forms of grant administration is considered program income and must remain with the program and be spent for that particular purpose. Those are the principals that's contained in the agreement and that may have some ground to it. The only way that compliance would not be required is if this is considered a settlement change. So we have some different opinions on that, that is another question that remains but at this point I don't see a reason to argue the point that the two should be tied together and remain together. We agree with that standing right now."

City Manager Anaya stated the following "I want to just cite two things on the record, page 5 item C, fiscal and administrative standards, the state shall adhere to all local state and federal regulations as applicable to their operations. State shall

adhere to the following fiscal administrative standards in accordance with title 2, CFR part 200, state of New Mexico manual model accounting practices, three state of New Mexico auditor, State audit rule for title 2 CFR chapter 1 part 1 70 and 5 US governmental accounting office, government auditing standards. Under exhibit A, which is in the back of the agreement, scope of work under the state of New Mexico shall (F), adhere to two CFR part 200 and all federal and state procurement contracting cost principles and financial management requirements. I just wanted to note those two items for the record. Mr. Mayor, Council, Councilwoman Casey, you noted the timeline, the timeline was brought up in discussions early on by the Mayor. I'll let the Mayor speak to that directly, Councilman Montoya, specifically noted the request relative to the one and a half year period that was noted at the May 28th meeting and yourself have noted it now on the record. My feedback to you is that it's my intent as part of this discussion that if there are specific recommendations that come from the City Council, relative to the agreement that we could recess on and I could pose, request, ask of the state for consideration of, I think we should do that. That's one item that I know has been brought to light, we had the discussion with the state prior to the agreement being brought to the Council but the Council has every right and entitled to do the same. I would say as a recommendation that we can compile a list of items that the Council themselves may want me to request directly for additional clarification/insertion into the agreement and so that's my thought relative to timeline. Mayor, is there anything else you wanted to add."

Mayor Romero stated the following; "No, I know when did meet June 12th with the state you know that was one of the questions that I posed. I know at the last meeting Councilman Montoya brought it up and Councilor Casey, I guess my whole concern on that has been the governor's term is for a year, basically a year and a half, a new governor comes in, are they going to be willing to continue with the project or the state basically says, okay here it's yours and that's where the whole concern of us sitting at the table and being a decision maker at the table. At the beginning of the MOU a lot of the responsibility was solely on the state and of course you know I think I feel comfortable with the agreement that you have worked along with staff, consultants and collaboration with the state. I'm



comfortable with it but I still have that concern about the timeline, whereas what happens after the end of the governor's term. If the plant isn't built within the year and a half, what happens then, a new governor comes in and we don't want to continue this MOU anymore and they take on the 90 day exception to cancel the MOU. That's my concern, I know secretaries are all appointed by the governor but you know within the state or is there still that willingness to participate with us to continue and make sure that this is finished despite being a new governor, I guess that's one of my concerns."

City Manager Anaya stated the following; "Mr. Mayor and full Council, if I could comment and say there's one clause in this agreement that I think is probably the the biggest leverage that the City Council has relative to this agreement if the agreement is approved. That particular clause is section 4 termination, The parties may terminate this agreement within 90 days with notice to the other party. I think within this particular clause and I think we'll reference it several times today, gives the latitude to either party to terminate the agreement plain and simple. If we would engage in this agreement with the state we would know in short order whether or not the terms and provisions that are legal counsel has recommended to us, have the teeth or not right? That's what I would suggest to all of you, it mandates that we have meetings minimum monthly and I'm going to anticipate that we're probably going to need more than monthly meetings and within that process in the joint working group section of the agreement, you're going to know quickly and promptly from me based on every meeting that we have associated with the agreement. If we engage in this agreement and we established the joint working group which is going to be inclusive of leaders sitting in this room at that same table and we are not being afforded the opportunity to provide the input that's implied in the agreement and directly stated in the agreement, then you going to hear it directly and promptly from me and probably other members of the leadership team. I would not note that as an endpoint for this discussion because we're just starting this discussion today but I would note it as a prominent piece and point in the language that we have in front of us. I just wanted to state that at this time. One of the other things that you noted Mr. Mayor, Councilwoman Casey, is we have not been transparent enough and we

need to work on that. I couldn't agree with you more, regardless of the determination and the outcome of this agreement. It's incumbent on us to communicate in every possible modality that we can not just the City Council meetings but whatever external information that we can provide to the public and the citizens as to the work that we're doing and have been doing. That relates to the agreement and it doesn't relate to the agreement at all, that just relates to our obligation and responsibility to you, the Mayor and the governing Council of the City of Las Vegas and the information we provide to the public. I agree and concur wholeheartedly, there is a public perception but depending on who you ask, it might be a different public perception but I would also concur and agree with you that we're trying to provide clarity and transparency and fact. I guess I would say not hearsay, not innuendo, not rumor but begin the process of applying facts to what we've done, what we've expended, what we're planning to do, not on our own independently but based on the direction and the pathway that the Mayor and the Council provide. They want us, myself as the manager and the team to implement and so I would just again concur with your statement. Your last statement for now was we need to be careful without a doubt and we have to guard the interests of yourself as the elected officials and guard the interest of the City of Las Vegas and our stake. I think I hear, I don't think I hear, I know I hear loud and clear from the Mayor and each and every one of you, that it's our responsibility as the City of Las Vegas to govern our own existence. Do I see this agreement as relinquishing that? No, I don't, I see this agreement as potentially augmenting the work we do and taking in as much support as we possibly can to get the plant constructed and to deliver a product. I do see that there are benefits absolutely to having a partnership and working in conjunction with members of the state to help us do that. You made a comment Mr. Mayor and Councilwoman Casey, that I think is also very important to note and expand upon and for that, I would like to ask, I think it's the timing is good, Dr. Howe if you would come forward and Deborah if you would come forward as well. Dominic and Morris stay tuned we'll call you back up shortly but I think one of the things that I want to be clear about as we convey information to the Mayor and the Council is that there are things that the City must do. I believe to ensure that the plant is constructed in a professional manner and an appropriate manner in coordination with our team.

It's not just utilizing the the resources of consultants and other experts in the field but it's also working with Mr. Martinez our director and his team in helping us get to that point as well, so I'll bring Mr. Martinez up here in a little bit but what I would like, if you would Dr. Howe on the record, if you could speak to the outline that you've provided the City and the things that the City needs to be cognizant of, pay attention to and do whether or not the agreement with the state is executed or not. I think that's the operative piece, what we're going to recommend here and provide a framework for is if it's an agreement with the state, these are things that will be at the table communicating with the state and if it's on our own these are things that we're going to do on our own moving forward associated with design, plan, construct. The last thing I'll leave you with so that I can turn it over to you Dr. Howe, can you speak to the reality that as a plant advances the state's going to seek technical assistance from outside entities in the same manner we would. If you could maybe start with that and then dive into your document I'd appreciate it."

Dr. Howe stated the following; "Yes, so I believe the primary agency that would be involved in managing this from the state's end would be the Environment department. My understanding, my interactions with the Environment department have been primarily from a regulatory point of view. I'm not familiar or aware of their capabilities from the design and construction management point of view of new water facilities. They may have those resources in house but I'm not aware of it, so my current assumption is that they would need to subcontract those capabilities out in the same way the City would need to contract those out. I do think that the state Environment department has a lot of capable and qualified people. I think one challenge they have like a lot of other agencies, they're understaffed. If you go on to the state department website and look at the list of positions and see how many of them are vacant, I think it's telling that the question needs to be raised who within the department would be managing this and is that position even filled at this point. Does that answer the question?"

City Manager Anaya stated the following; "I think it does yeah."

Deborah Sulzer stated the following; "The only other agency that's named in the agreement besides DFA which I think, the DFA piece of this is tied to Senate Bill 6 reimbursement loans is DHSEM, which is the Department of Homeland Security Emergency Management. Their function is to handle disasters around the entire state. Having been a subcontractor for DHSEM, I'm not aware of any capabilities that they have internally to do any kind of project management of this kind of scale. I think the natural assumption and maybe it's not good to make assumptions but they would have to and I think that's why it's specifically in there they would have to subcontract all of this work just the same way that the city would."

City Manager Anaya stated the following; "Mr. Mayor, members of Council, are there any specific questions that any of the Mayor yourself or the Council has?" "Are there any other items that you want to articulate associated with your outline that you'd like to provide on the record to this Mayor and the Council at this time Dr. Howe?"

Dr. Howe stated the following; "I don't think so, I did send the email so you have that and my thoughts on that available to you. I don't think there's any particular piece that I need to repeat here today. I'm certainly available to expound on any of that if there's specific questions in regard to any of the issues I raised there."

Councilor Montoya stated the following; "You know I think I just recognized our Judge back there, our Municipal Judge Mr. Eddie Trujillo, welcome to our chambers and it's nice to see you. I did have Mr. Anaya a question for Mr. Howe, how many plants have you built, how many plants have you been involved with and how successful were you on those plants?"

Mr. Howe stated the following; "So I'm not sure I can give you a number, I've been involved in several. I will say that in my career the first half of my career I was working for an engineering consulting firm and was designing water and wastewater treatment plants. The second half of my career I've been in academia, I've been working at the University of New Mexico and obviously during my

tenure at UNM, I was not designing water treatment plants, I was doing research and teaching. Going back to my early consulting career which was starting in 1986 ending in 1998, I'll give you one example, I was the lead design engineer on a water treatment plant for the City of Tulsa Oklahoma. It was a replacement for a plant that had been built in the 1920s, we were essentially replacing it in the 1990s. It was a hundred million gallon a day plant, the plant we're talking about here is the City of Las Vegas typical capacity of 1.4 or 1.5 million gallons a day plant. So this was a 100 million gallon a day plant, it involved the firm which did the design and then it was a traditional design bid build. There were eight separate construction contracts; the total cost of the plant was \$75 million, for a 100 million gallon a day plant. It was conventional surface water treatment which is the same process as we're talking about here coagulation, fauculation, sedimentation, granular media filtration and disinfection with chlorine so that's probably the best example I can give you of my experience with surface water treatment."

Councilor Montoya stated the following; "Thank you, Mr. Anaya and Mr. Howe, what was the time period on that plant? From planning design to construction to operational."

Mr. Howe stated the following; "It's about 5 years."

Councilor Montoya stated the following; "Thank you, that's all I have."

City Manager Anaya stated the following; "Thank you Mr. Mayor, I guess there's no other questions right now. Mr. Martinez I'd like you to come forward if you would. Mr. Mayor, if I could maybe set the table a little bit relative to the work that the City of Las Vegas has been doing for quite some time associated with the water treatment plant. There has been a lot of work, there has been a lot of discussion associated with the water treatment plant, adjustments were necessary related to what was planned prior to the flood event that happened last year. I wanted to see first Mr. Martinez, if you could speak to that event that occurred at the water treatment plant and how the prior design that was being

considered would have been impacted had that plant been advanced or had it been built. If you could just speak to that first before we talk about concepts on options moving forward.”

Water Director Travis Martinez stated the following; “Mayor and Council, the original concept for the water treatment plant was a totally brand new water treatment plant. Basically on the decision of the City it could be built in different capacities basically on how big water production is, how big the City wanted it. There were estimates from \$75 million to \$85 million, there were estimates that it would take anywhere from 10 water technicians up to 35 water technicians. Basically removing the whole water treatment plant that we have now with the brand new one, it was all one building, two stories it was pretty extravagant.”

City Manager Anaya stated the following; “Mr Mayor, Council and Mr. Martinez, one of the things that we know and you know and you can speak to is that whatever the determination is on what plant we ultimately build and this has been something that that several members of the council have brought up on the record is that we have to be able to you know after the plant is designed, built and operated and then turned over we got to be able to manage it and run it could you speak to that.”

Water Director Martinez stated the following; “Yes, so depending on how the water treatment plant is direction that the City of Las Vegas goes if you want a brand new water treatment or moving forward operations are going to change regardless of what you do. It's dependent on the City for the manpower and the capability of doing it. So moving forward those are big questions that we have to ask ourselves if you get a water treatment plant that's too complicated you're not going to have employees who are going to be able to do it within a certain time frame.”

City Manager Anaya stated the following; “Thank you Mr. Martinez, I think that addresses that point that I wanted it said on the record, so I appreciate it. Mr. Martinez if you could now as conceptual frameworks based on actual work that's

in some discussions, many discussions that have taken place, can you just speak to the two pathways actually three right? The initial pathway is maintenance of the existing facility to sustain water. Speak to those three, starting with maintenance of the facility, to continue to provide water and from your perspective what are the recommendations relative to where we're at and what we need to consider maintenance and plan, design and construction of a facility."

Water Director Martinez stated the following; "Is it okay if I approach and give you guys a documentation that I put together."

City Manager Anaya stated the following; "Yeah, that's fine. I would put forward that the information is not in lieu of an agreement. This is just a framework of possibilities associated with what we could advance either on our own or in partnership with the state of New Mexico. I would say that is that accurate Caleb?"

Water Director Martinez stated the following; "What I put together is just a quick executive summary of pros and cons of a new facility compared to a hybrid upgrade and expansion of what the existing facilities are. First of all, to speak to Mr. Anaya, the City of Las Vegas right now, we are in the middle of upgrading the facility that we have now to contend with in the next couple of years to get our water treatment plant to what the City decides to do. Based on that there have been a lot of upgrades and advancements for the water treatment plant as it is now contending with the water chemistry that we're dealing with and that goes back to basically compliance. Number one, there's a proposal for construction for a new water treatment plant, the overview of this is the City of Las Vegas is at a critical juncture and its water infrastructure development. In light of aging infrastructure, increased regulatory compliance demands, population needs and vulnerabilities exaggerated by recent flooding and climate events. The proposal is to construct a new water treatment plant that has become the focus and strategic planning. This summary outlines benefits, drawbacks and timelines associated with development of new facilities. The pros of building a new water treatment facility, its increased capacity and resiliency supports future population growth,

potential industrial and chemical expansions. It reduces strain on existing infrastructure which currently operates under limited redundancy. Enhances ability to manage extreme weather impacts and natural disasters. Number two, improved water quality and regulatory compliance, incorporates modern treatment technologies ensures long-term compliance with state and federal regulations. Safe Drinking Water Act, surface water rule, operation efficiencies, energy efficient systems with automated reduced long-term operating cost, smart SCADA systems improving monitor control and data collection. Public health and environmental benefits provide consistent high water quality, drinking water, reduces risk of treatment failures and boil water notices and community confidence. Demonstrates long-term commitment to infrastructure integrity and public welfare and also enhances transparency and accountability and public services. The cons of the new water treatment plant are high capital costs, estimated cost for water treatment plant can range anywhere from \$25 million to \$60 million, depending on size, treatment and location. Long-term implementation and time, it can take anywhere from 5 years to 7 years from concept to full operation. Delays in permitting and/or land acquisition can extend the schedule. Complex planning and permitting must address environmental impacts land use right of away and public input. Navigating multiple regulatory agencies that can add time and complexity. Temporary disruption, construction related to disruptions and nearby areas transitions from old to new plants require careful coordination and long-term maintenance responsibilities. New systems require ongoing investment in staff training and system upkeep. Operational budgets must be realigned for new technologies and assets of the life cycle. Estimated timeline for water treatment plant, remember these are all just estimations, number one the phase the preliminary planning can be anywhere from 6 to 12 months, needs assessments, stakeholder inputs, funding strategies, site selections, you have design and engineering that could be anywhere from 12 to 18 months. Full facility design, environmental studies, permitting, procurement and bidding processes, 6 to 9 months. Bid selection, contractor selection, you have your construction, 24 to 30 months. You have site prep building, installation of systems, testing and then you have 3 to 6 months with the commissioning. Operator training, performance testing and regulatory approval. The total



timeline, pending if the process was smooth, can be anywhere from 4 to 6 years, turn key completion. That's if everything is smooth, if not like I said before anywhere from 5 to 7 years. In conclusion, while the financial and time investments are considerable, the long-term benefit of a modern resilient and efficient water treatment plant far outweighs the drawbacks. The City of Las Vegas must consider both the urgent need for infrastructure modernization and the strategic advances this facility will provide, ensuring safe, reliable water for generations to come."

City Manager Anaya stated the following; "If you could stop right there Mr. Martinez, what I'd like to do and I think he noted several times, those are all estimates based on background experience and on what you've seen and viewed relative to not just ours but other treatment plants. Before you get into the next piece, Dr. Howe, if you could just speak to a new plant and maybe add feedback associated with what Mr. Martinez just presented."

Dr. Howe stated the following; "Yes, thank you Mr. City Manager, so let me just expound a little bit on the number of the items that Travis brought up. First of all this also I think addresses the issue that the criticisms that have come from some members of the community about nothing being done. Right? So starting off immediately after the 2022 fire, the previous Utility Manager commissioned a number of preliminary engineering reports for new facilities to address the effects of the wildfire. That included four preliminary engineering reports, on four different projects. One was a pre-treatment facility that would be located at the Gallinas River diversion, there was a second pre-treatment facility that was to be located at Storrie Lake, the third was a new water treatment plant and the fourth was a project called Agua Pura, which is basically upgrading the municipal wastewater treatment plant with advanced treatment technology which could then be used for introducing highly purified municipal wastewater back into the raw water system. Basically water from that plant would be reintroduced back into Bradner and Peterson reservoirs. The number that was floated in terms of number of operators, I believe was based on all four of those projects and a significant number that was associated with the Agua Pura project because of that highly

advanced water purification facility treatment that is essentially built on top of taking treated wastewater and treating it more, that takes a significant number of operators. Those were all done and drafts of those were completed in spring of 2024, when I was brought on in summer of 2024, one of the things that I was tasked with was reviewing those preliminary engineering reports and evaluating whether they are the right projects, for the long-term resiliency of the water system. I have finished a report that was prepared for the Sulzer Group and it went to Deborah Sulzer and also to the previous City Manager. I don't know if you've had a chance to see it yet. Where I reviewed all four of those projects not only in light of their original objectives but in light of the additional challenges that the water system had in summer of 2024 and I have recommendations to change that plan. Specifically the idea was the two pre-treatment facilities at Gallinas River and Storrie Lake would essentially reduce the turbidity from those sources and put low turbidity water into the reservoirs and then the treatment plant would only need to treat low turbidity water. The preliminary engineering report for the new water plant was based on water quality evaluation where the number that they used for the maximum turbidity of the new water plant was 49 NTU. That was based on the assumption that those reservoirs would only have essentially low turbidity water in them. What we know from the storm event of June 2024, was that the reservoirs were impacted by overland flow and they had high turbidity water in them, that would not have been prevented by the pre-treatment facilities. So in essence it wasn't necessary to change the path forward because the original path forward would not have addressed all of the city's water challenges. So in this report, I've got recommendations for not building the two pre-treatment facilities and revising the design of the new water treatment plant, so that it can treat high turbidity water by itself. So it's not dependent on having low turbidity in the city's reservoir, so that it can handle whatever it needs to handle. Those are significant changes, the preliminary engineering report on the new treatment plant actually recommended a smaller capacity plant than what you currently have. So Travis mentioned growth of facilities for future population growth, if we go with the original preliminary engineering report that was done, it was actually going to be a smaller plant than what you have now. I would recommend that you keep the capacity at least what

it is now. Travis mentioned time frames and I think those are legitimate time frames based on a traditional project delivery approach. So if we hire an engineering firm for design, do 100% complete design, 12 to 18 months I think you said for that. That sounds about right to me, 3 to 6 months for bidding, construction you said 24 to 30 months. I think those are all reasonable numbers so then the question becomes how do you accelerate that to a year and a half? One of the ways that this and you asked the question about how long it took the project that I did and it was in the neighborhood of 5 years. It was that traditional design bid build approach, so there are project delivery approaches that can accelerate the timeline. One of the things that's used these days is called design build where you hire a joint venture of a design engineer and a construction company that do design and construction simultaneously. It increases the complexity of the process but one of the things that it does is accelerate the schedule. So for instance you don't have to wait to get 100% design and then it takes 3 to 6 months for bidding and then start construction. What you can do is say get 30% or 50% into design, you know where all the buildings are going to be, you know where the pipe yard, pipe layout is. The contractor can start doing site work for instance. In the email I sent last Thursday I mentioned long lead items, with today's supply chain problems, long lead items are one of the things that's going to drag out the construction schedule. Those things can be identified early in the design and say you know what it's going to take a year to get electrical switch gear. We know how much power we need, we can order that halfway through design as opposed to waiting essentially another year before you even order the equipment. So all of that to say there are ways to accelerate the schedule by what procurement method you're going to use and whether or not you can identify and order some of those key pieces of equipment that are going to delay the project. These are the kinds of things I think would need to be discussed with the state as you enter into this agreement, to make sure that everyone is on board with essentially the right strategies for accelerating the schedule."

City Manager Anaya stated the following; “I think what I'd like to do now is Travis you can go on to your second piece and then after you do your second piece I'll let Dr. Howe respond again.”

Water Director Martinez stated the following; “Just to continue on what Carrie had said, I had also recommended the same bid build process as well. This next executive summary, it's called a hybrid upgrade and expansion of existing water treatment facility. The overview is a hybrid upgrade and expansion of its existing water treatment plant to address critical aging infrastructure, improve water quality reliability and meet regulatory compliance standards. This approach includes both modernization of current systems and addition of new facilities such as filter buildings and upgrades to clearwell to extend the plants life and build resilience into the system. The pros of this approach is number one, the cost-effective investment, less expensive than building a completely new facility while still achieving substantial improvements, critical new infrastructure, can add new filter buildings and upgrades to clearwell key components, currently in structural decline. Number three improved water quality compliance, incorporates updated treatment technologies and control systems to meet Safe Drinking Water Act and NMED standards. Number four operational continuity keeps the plant in service during upgrades avoiding major service disruptions, leverages existing infrastructure, and retains viable assets like piping intake structures inside utilities. Number six faster implementation, shorter permitting and design cycles. The cons are limited expansion capacity, physical restraints at the current site may restrict future growth beyond the project construction complexity, working around operations can increase scheduling and safety risks, hidden infrastructure risks, potential of unexpected problems during construction. Estimated project timeline is a preliminary assessment 3 to 6 months, design and engineering anywhere from 9 to 12 months, procurements and bidding 4 to 6 months, construction if phased out anywhere from 18 to 24 months and commissioning turnover 2 to 4 months. Approximately anywhere from 3 to 4 years, the conclusion of this is the hybrid upgrade expansion strategy offers the City of Las Vegas a pragmatic and physically responsible pathway to modernizing its aging water treatment infrastructure. While addressing immediate system vulnerabilities by combining strategic

upgrades and targeted with new construction the city can secure water quality, improve system reliability and build resilience without the full cost and timelines of new facilities.”

City Manager Anaya stated the following; “Thank you Mr. Martinez, Dr. Howe?”

Dr. Howe stated the following; “Thank you Mr. Mayor, Councilors so I haven't seen that approach yet so I can't comment, tremendous amount of detail. There are, I think, a number of issues that Travis brought up, for instance the complexity of keeping existing facilities running while you're building new facilities. I would argue that the challenges are the same regardless of whether you're building new facilities on the plant site or upgrading existing facilities on that plant site. That's part of what the engineering and construction team will do and this happens I'll say at almost every water treatment plant in the country. It's unusual to build what's called a Greenfield water treatment plant, where we're just going to build a new plant on a new site and we don't have to worry about working around the old plant. That's what the engineers who design water plants and the contractors who build water plants, that's what they do. They know how to build around existing facilities and keep the existing facilities 100% functional during construction. I would argue that it's the same either way. I think what Travis pointed out is some of the facilities definitely need to be new. For instance filter building is going to be new whatever approach you take. I think the question then becomes which facilities that are currently on the site can be upgraded and used in the existing plant. I will say that I did also look at that and in the report, I think the two buildings, that I think could be incorporated into the new plant are, the raw water pump station could be upgraded and used and the flocculation clarification structure is probably I would recommend and in here I recommend you upgrades in terms of what type of flocculators, what types of tube settlers, etc, but the concrete structure would be reasonable. In my opinion every other portion of that plant specifically, the filter building and the clearwell building need to be replaced. I think in terms of which of those two paths, I think you want to have an environmental engineering company help evaluate those two options and I think that it could be done as part of the next steps. I mean you've got this report, the

next step is to have the city's project manager, the Sulzer Group essentially take the project forward. They would need engineering support to help make the next steps. The next step would be, they would engage what's called an owner's advisor as part of their team. One of the questions that could be put forth is what's to flesh out Travis's memo here of advantages and disadvantages. How would you go forth deciding whether or not to reuse the raw water pump station and the flocculation clarifier building? You could evaluate the costs and the construction complexity of whether or not you use those two structures in the new plant. I think that all needs to be done by an engineering team, again going back to the design build approach and accelerating the schedule. You know it is certainly possible that the project management team, the Sulzer Group with engineering support, could lay out project requirements and you could actually leave that decision up to the design build team. Now you actually have a contractor on board who builds plants and he can say well we're going to have problems with this pipe and it's going to be really hard to build around this raw water pipe and we should do this instead. The earlier you engage the construction experts, the easier it is to make those decisions and have accurate ideas of the cost and schedule implication of those decisions. I mean we in terms of the City and consultants like me can make our best guess and our estimates. I think this should take 6 months but you get a contractor on board and they'll be very specific about what can and can't be done, how much it's going to cost and how fast they can do it."

City Manager Anaya stated the following; "Thank you Dr. Howe, thank you Mr. Martinez. I think I'm going to make a couple comments and then I'm going to defer to the Council and the Mayor. I went through this exercise Mr. Mayor and Council to convey to the Council and the Mayor of many things that you may have already known but maybe there's some things that you didn't know. So I thought it was important to convey that information back to you, the Mayor and Council as well as the public. I think Councilor Casey noted and I think all Councilors have noted, perception and questioning and a lot of a microscope if you will over the City of Las Vegas as to what's been done and what was implied or assumed not done. I wanted to provide the framework that in fact there is much that has been

done on the staff side of the equation as well as the contract support side of the equation. To advance a project forward, to have a plant that's viable that provides clean water for years to come. What I'm going to speak to now is my own specific experience with plan, design, build, construct. Some years back I was employed with the state of New Mexico with the Department of Transportation and I saw one of the largest if not the largest construction project or one of the largest built in the state of New Mexico through the same concept and was part of the process of watching it and assisting it to completion was the governor's Rail Runner project. I had never seen the magnitude of how fast something could be mobilized and ultimately completed, not with the independent expertise which is high functioning and high level at the state of New Mexico. I would put my colleagues at the time at the Department of Transportation alongside any department of Transportation in the state of New Mexico it was one of the best experiences that I had in a governmental state entity was watching that entity function and build roads basically bridges, drainageways, arterials, main thruways, mass transportation, buses and transit, the whole nine yards. I did see with my own eyes and was part of the process of watching the state not on their own but engaging experts in that field to bring to bear a rail runner project that was basically built on the fly. I can't say it any other way, I can remember going to San Felipe, the old outlet malls and they had a set up there that I'll never forget that had experts from around the country and I think maybe even a few from out of the country that on the fly got the project built. I watched it and it wasn't you plan, you prepare your documentation, you do your RFPs, you sit back, you do the advertising, you put it out to bid, you sit around and wring your hands and wait. It was every single day all hands on deck, internal players with the Department of Transportation, contract support from within the state of New Mexico and out of the state of New Mexico and it got done. So I had a few questions this morning in my own mind, as to what are you going to recommend Mr. Anaya? Robert, what are you going to do? I asked a few of the clarifying questions I had my staff that are sitting in here that went and helped dot a few I's and cross some T's. I said to myself after I got that information, would a relationship with the state of New Mexico through the governor's support help expedite a project? The answer to that question, I will tell you unequivocally is yes, it would. Are there ifs associated

with that particular item I just stated absolutely there are. Do I think in the mechanism of this agreement that we have a component that we can ultimately hold accountable right cuz ultimately it's not providing an agreement that the Council would provide in walking away. We've worked with our legal and that was a big question that I had and I asked our attorney this morning Mr. Zamora. I said, Geno, do we have in the agreement what I need and what we need as a City to assure that we're at the table. The answer that I got was yes we do. We made the amendments that we needed, we didn't have the language as crisp as we wanted it but it's in the agreement. I said what's the protection that I have as the manager that's going to carry out the operation in partnership with people sitting at this table internal and external. What is the assurance that I have that and he said well you have the working group, that you're going to be at on the regular basis and ultimately he called it to my attention I had already written it down in my book. The primary piece and I'll look at each of you individually. The primary piece that you have as a Mayor and Council is that termination clauses and the amendment clause, two clauses in the agreement that provide that support. If there's other agreements I already said earlier I want to recess and go ask that we have those if they absolutely need to be in here, I will do that. I work for you. I work for you the Mayor and the council but can I sit here in good faith and say is this a worthy venture to take a leap of faith, I will say yes. I will say yes but we have provisions in here that will help us remain at the table to work through the matters that we have to deal with and if they don't I will be the first one back here to say they're not upholding what they said they would uphold and I would recommend we terminate the agreement. I won't be afraid to do that and I won't be scared to do that and if I could there's one individual if I could Mayor before we go before I turn it back over if I could. Mr. Marquez you were in the room with us when we started the process and I want you to articulate it wasn't a pleasant process when we started but speak to what your involvement was in the process and provide comments on the record to the Mayor and the governing body associated with what transpired the first day and then how it's evolved to where we are today."

Community Development Director Lucas Marquez stated the following; "Mayor, Council, so we did attend that meeting that the Mayor set up with the governor,



which was again supposed to be just a meeting between us three and a couple of constituents that the governor had. As we walked into the round table room, we were kind of shell shocked to say the least. We had 13 different people in there including Cabinet Secretaries and also legal staff that were in there. To just put it straight forward we got a chance to just get to know each other, shook each other's hands and introduced ourselves. The next comment was: Here's an MOU that the governor has set in place for you guys and we need you guys to make a decision at this table right now and no later than 5:00 today. The Mayor did stand up and say you know I'm not capable of doing that you know I need my Council to agree to this MOU. It turned into an area where we were told that if we didn't sign it there would be other alternatives they would use to make us come into compliance with what they were wanting to do. At that point Mr. Anaya engaged and talked to the staff that were on hand and in front of everybody. He let them know he saw where they were coming from and he stepped back and pointed a couple of fingers at Mr. Diego the Cabinet Secretary I believe for the governor and asked him for 2 minutes. They pulled us into another small conference room and from there the negotiations began. Mr. Anaya pretty much put it on the table that the City needs to be involved in everything that's going to be discussed with this MOU. From there he came back with some different parts of it and we stepped away, went to one of our attorneys, spoke with him, got some things out on paper and from there we came back over here. The next day we had the new MOU with some new provisions put on there and it continued to a back and forth conversation between us and our attorney and the state and then we wound up with the final draft where we stand today and that's the logistics. It was a very uncomfortable feeling though I'll be honest with you guys it was pretty rough to walk in there and see so many people against just us three. We took no City attorneys, we took no other staff, it was just myself, the Mayor and Mr. Anaya. Me experiencing this, is the second time I get to be in that room but that experience that day was pretty rough and I know Mr. Anaya saw it but he came up to me and said don't worry, we'll take care of this, we're going to be okay. We went in there and he held his ground so one thing I say is the City has appointed a fighter for the City so that's one thing for sure, he stood his ground against a lot of people over there that day."

Mayor Romero stated the following; "Discussion, Council?"

Councilor Montoya stated the following; "I saved my comments for this time during the council meeting and I hope I can start and finish my comments. Mr. Anaya, I thought you were going to say I-25, that was a hell of a big project also that Richardson in those days worked out but I remember being in the mingle of that conversation on the roadrunner and they didn't know where they were going to run it through cuz they had to buy a lot of property. I said why would be, at that time I worked for the New Mexico DOT and I said why would you be wanting to buy property and you have the property. I said, What do you mean Interstate I-25? So the only property really that they put a lot of money into was the native properties but that was a great and still is a great kind of transportation for the New Mexico department of Transportation. There's been other projects throughout the whole state that the governor, different governors have supported and the legislature has supported but you know and I'm sorry some people might say that politics isn't involved in all this. I mean politics is involved in everybody's kitchen table but let's not forget that the election is coming around in November and all faces here might not be here January 1, 2026 and here we go again inventing the wheel, starting all over again. Let us not forget that the legislature with the support of the governor, Senator Pete Campos, Representative Ambrose Castellano, Representative Joseph Sanchez and of course myself lobbied and I think what's her name, Ellie was at the center of that table lobbying for the Senate Bill 6, \$100 million dollars in loans for communities that were affected with the fires for immediate use of those funds. Which Las Vegas took advantage of by acquiring the \$20 million or \$21, you know I'd like to assure the citizens of Las Vegas by saying that the governor and all her 21 of her department secretaries were the first ones in Las Vegas in support after the fires and floods occurred. At that time she said she would hold the federal government accountable and I believe she still feels that way, that's her job as governor. I'll take it one step further, the City as well as the state have attorneys on contract that we haven't used. If accountability is not met in a timely manner those are still available to us and the governor will not be afraid to use them. They have the funding to support

that, I see it that the state is our big brother, our big sister for all New Mexico communities. They are there to support us, encourage, assist during disasters and ensure our communities are safe to live in. As per our community, public perception, away from not being transparent, our track record shows otherwise. Having gone through two Mayors, in two terms in two administrations, having gone through three councilman positions opened, vacant and filled. Having gone through three City Managers in 4 years, three City Managers, one City Attorney which is still vacant in the last 2 years, two administration positions, two Police Chiefs, two Finance Directors, Two Economic Development Directors, two Senior Citizens Directors, one Utilities Director, one HR Director, one Public Works Director, two Recreation Directors, two Librarians and one or two Museum Directors. That path does not show me accountability nor stability and that's what it shows to our citizens of Las Vegas. The state can control the regulation and the permitting, if they permit themselves so be it, whatever has to happen needs to happen but we need that plant built. Not yesterday, not last year but tomorrow. The governor says a year and a half, I doubt it, you're the expert here that we have, that we're paying for, you know it's kind of impossible. I think she meant that she can get it done faster so either way she can jump hoops and get it done in a timely manner. Yeah I have plenty of concerns, Who's going to be responsible for the quality of water from this point on? If the state wants to be accountable on the quality of water for Las Vegas til the plant is built, let have it, why not? The City has spent at least \$7 million with \$0 in return, still waiting. Why not have the state build it and run it for a year after it's been built? That way all the bugs are out and we know that it's working and that's our assurance that they've done a good job. Visible, yes, Mr. Anaya says this is an outline that has been established on this agreement, modifications have and will need to be amended on this as we go along on this project. It's a must, there's going to be areas that aren't covered here, that we still have to work on with the state as long as we're in a partnership and they're responsible for it, the water quality and so forth. I mean we have our input and we say we want storage tanks, we want this, we want that, we need this, we want that, we have our input. It's a working hand in hand situation, I would say, the road that I don't want to go is that I don't want to spend unnecessary taxpayer dollars in additional legal fees. I think the City of Las Vegas is

already overwhelmed with legal fees. We've already spent millions of dollars, the City of Las Vegas, in our water system, in our Taylor Wells, in the infrastructure of our system, on storage, acquiring water rights, lawsuits and this and the other. So I hear you Mr. Anaya and I thank you for what you have done, for communicating in the best interest of the City of Las Vegas, I'm going to say. I know these things are hard, I know I felt like I was being left out on a little bit of stuff here and there but I understand the way things work but I am you know, I'll be the first one to say that I am in favor of this state taking over. We had the Mayor sign an MOU agreement with FEMA back in October of last year, was it October of last year. I mean that the rightful thing we did, is that this governing body invested that money, we didn't just put it under a rock. We invested some monies and now we have \$13 million or \$3 million additional to spend or the state does whichever. I still say that the FEMA money is one pocket, the SB6 money was another pocket and we should have been gaining interest on the Senate Bill 6, a portion of it which to my calculation would have meant \$680,000. Either way I think they're willing to help us, they have the manpower I would say versus what municipality, what business, what state, isn't lacking labors. We've been lacking, we've had 50 vacancies in the last year throughout the year. Call it savings, call it whatever you want, but it's everywhere you go. If the money is there and you attract the people that need to do this kind of line at work, it will get done. The same way that the mayor brought in 56 trucks or how many trucks? 76 trucks of water to Las Vegas, the money was there, they brought it in."

Mayor Romero stated the following; "It wasn't me that brought them in."

Councilor Montoya stated the following; "Well, you're in charge of the emergency crisis at that time. The thing is that this needs to get done, people don't trust us, we might not be here, there's a lot of questions, a lot of unanswered things. Maybe three or four more new faces will be here, I don't know, who knows but to start reinventing the wheel again and this and the other, the losers will be our community. Our community will be the ones to lose on this deal and they have nothing but to gain and there's the organizations and there's groups and there's people that have already reached out to the governors and requested that the

state take over and I think that's probably one of her big pushes on this, other than we haven't spent the money. I've been saying we have money, let's spend it but nevertheless that's neither here nor there. I support this Mr. Anaya and if there's no other discussion Mr. Mayor I would be willing to make a motion."

Mayor Romero stated the following; "Is there any more discussion?"

Councilor Martinez stated the following; "You know what, I'm also looking at this with a fine tooth comb and trying to understand all the holes in it, all the loopholes in it. You know one of the things that we did discuss which was just currently brought up by Mr. Howe was the Agua Pura system you just mentioned. I would hate for us to give the reins over to the state of New Mexico and then find out this is what you're going to get. When we already discussed that we're not going to, we don't want that. The City of Las Vegas didn't want you know, that kind of a system in place even though that might have been what a previous Utility Director was doing for the community. That was never discussed by Mayor and Council at any point and I wouldn't want to be handed down something that somebody else developed and we're getting forced you know at the table to take you know."

City Manager Anaya stated the following; "Mr. Mayor, Councilman Martinez, I would tell you this respectfully based on what is in the agreement. We have a set of reins that say, they're rein if we provide approval on this agreement would be a thicker rein but we would still have our hand on the reins. If Mr. Mayor, Councilman Martinez, that wasn't reality when we go into the organizational meetings for the joint working group which is listed in the agreement it's explicit in here, we shall work on a joint working group collectively as we go to this process. I would just say that Mr. Mayor, Councilman Martinez, if you would have support the agreement and that does not happen, if we for example, would go to the joint working group meetings and articulate items much of which has been articulated today by Mr. Martinez and Dr. Howe and the feedback was we're not going to do that or we're not going to take those into consideration, I'll be here at the next meeting. I won't wait months for this to evolve and the process to evolve

I'll be here at the next meeting and say Mr. Mayor, members of the Council, they didn't uphold the root piece at the very beginning. Mr. Mayor, Councilman Martinez and the full Council, I promise that I'm committed to that and I'll have my staff hold me accountable to that everyday. So if that doesn't happen, I'll be right back here saying to you, we need to get out of the agreement. I mean that's the only way I can put it."

Councilor Martinez stated the following; "Thank you City Manager, in light of what you know Councilman Montoya mentioned there, we have an opportunity to move forward with something also. I mean we're playing on two sides of the field, it's very difficult but it would be crazy for the City, for us to represent the City and not get an entire piece done. Not pieces of a water treatment project done, who wants pieces of something done? I don't agree with, well we need to keep this, we need to keep that. There's \$98 million at stake and it needs to be done appropriately. If it's going to be done it needs to be done from A to Z and we shouldn't have to be worried about where we're going to save money for the state of New Mexico or anybody else for that matter or even the City of Las Vegas. We're not interested in that, we want to make sure that we have a piece that's 100% complete and we're not altering that by any means. I just can't see us getting into an agreement with the state of New Mexico if we don't do it completely, full force 100%. I know the timeline, according to Dr. Howe, is it feasible for us to have a year and a half, can it be done? I don't know, I have no knowledge of that. I can tell you what other things might be taken, what other things might work but that's a big project and there's a lot that goes into it. Again Councilor Montoya, you know yourself you talked about the Rail Runner, yeah it was brought to light in a very short period of time. I want to reassure the people, the public of our community, that if we're going to go into this agreement that we're going to get a product that's complete and not pieced. You know one of the other questions I kind of fell back into was the \$98 million if I'm correct, it's not only for the water treatment plant, even the agreement says water treatment plant. It talks about our water distribution, our water, our wastewater treatment plant as well."

City Manager Anaya stated the following; "If I could Mr. Mayor, I think if I could speak to that specifically, I think that's a very important piece of the equation. One of the things that we did intentionally and methodically from the beginning from the minute we got the agreement to the process of getting here today was delineate that the assistance we are seeking from the state is focused and centered on the temporary and permanent water treatment facility. The other pieces you note are correct, you're absolutely right. Those pieces that are connected to distribution, that are connected to our reservoirs, that are connected to potentially water meters and other facets of the system, thanks to the efforts of this City Council and governing body from the Mayor and the whole Council, you were able to get amendments to afford us the ability to use the \$98 million, not just for the plant but also for the system. We have the capacity and we've said that from the beginning to carry out the projects that aren't going to be directly related to the plant. We're going to be at the table as we work with the state and yes they're going to have the lead role but we're going to be side-by-side in the development of what that will look like and what the plant will look like and I would agree 100% with you complete but on the other side of the equation we're going to still have the ability to perform the functions we need to do connected to the system. So we decoupled the water treatment plant, temporary and permanent from the rest and that's an important point. So I'm glad you brought it up cuz it's important that I articulate that on the record. Mr. Martinez, had something he wanted to add if he could, is that okay Councilor.

Water Director Martinez stated the following; "I wanted to add to the statement that Mr. Montoya had made it also with you guys, as far as utilities goes and working with Mr. Howe, the City of Las Vegas had these four projects and I'm not sure if you guys were aware of the workload that had already been taking place prior to what each project does to how they facilitate and how they work with each other. Now coming down to the flood that we had in June and Mr. Howe came in, he's been working on those projects to see if there are benefit to the City. I'm just saying were you guys aware of the projects that were taking place to begin with? When I was brought in, as each of you know me, I'm all about efficiency. Are they going to work? Are they going to benefit the City? Do we need

them? Do we not? I wasn't aware of the projects until I came on as Project Manager. Before I was not privy to those projects, I couldn't tell. So coming to you guys today and we've been working on upgrading our system to get us to the new system. That's a major thing that we've had to do because of the challenges we've had since the flooding and then the arctic blast and so on and so forth that the treatment plant has been doing. Now coming forward to you guys today with something like this Mr. Howe, did his evaluation and based on that evaluation, will tell you the best way that the City can go but it's documentation for you guys to go off of. Now we keep saying you know the state the state the state, Mr. Anaya is right, you know going with the state and working with them will help advance the project, why? Like I said earlier in both of them you're going to require permitting no matter what you do. It doesn't matter and who's in charge of the permitting? The state, now everybody wants to know, Are we going to be at the table? Where are we going to be? It's our system regardless of the fact, we drink the water here, all of us and they don't know our system. The Drinking Water Bureau knows a lot but they don't know the operations day in and day out, the way that we do. As far as going, maybe Carrie can speak a little bit to this but once the project is done it belongs to the City no matter what."

Councilor Martinez stated the following; "I mean I just kind of wanted to touch on that, you know I don't want to, I'm in favor of a lot of things. You know naturally I'm in favor of this and I can see some good coming out of it but there's holes in it. Whether we signed this agreement today or not it's going to be holes in it, there's going to be what ifs and we're going to be well that's your part, that's not our part. We're going to have to work through those things and everybody here knows that but I don't want to forget the people that helped us get here either okay. Dr. Howe and Deb, you know you guys have been a big part of where we're at today and I just do want to make certain that we have these experts on our side helping us moving forward okay. I would feel comfortable with it, you guys are more experts than I'll ever be in that field. I think it's a win for the community if we you know finally get something started and ended and hopefully within a timely basis."



Water Director Martinez stated the following; "In all reality, the thing about this and my preference to this is, it it does take time, this is a big undertaking but something for me is, I want (we) want, well me and my staff want something that's going to last for years to come. We don't want to just jump into something and say oh okay this is what the expert saying this is what we're going to do. We've gone multiple rounds, me and Carrie on what should be done ,what it takes, you know he is the expert we're operations. I have 10 more years left to retire, I want my son to drink better water than I got. So you know it's something that we want for the next 30 to 40 years to where the next generation comes in and they don't have to worry about the situation that we're going through. So in order to spend all this money we want to go the right way and do it right the first time. Not have to come back and do it again or something happens that we missed or anything like that, so as far as it goes, everything is being done by the experts and which way we should go."

Councilor Martinez stated the following; "I really don't want to be dependent on consultants after that water treatment plant is built. We don't want to be in the position where we're having to pay for people to come and train us for another 20 years. We don't need that, we need to have our own people qualified to be able to run it after we receive it and it's just there's a lot to it and everybody knows what we're talking about. Everybody here understands where we're at, we just need to make the best choice for our community moving forward."

Mayor Romero stated the following; "I just wanted to make one comment and I'll let Councilor Casey and then we'll just move on to action. My comments here, I just want to clear up a few things and it's very clear in this MOU. This is not a takeover, this MOU is an agreement working together or working partnership with the state of New Mexico. This isn't a takeover, the \$98 million will still be in the City's coffers. There will be a disbursement basis on any consultants or any expertise that the City brings and of course the biggest part that we keep talking about is this joint effort. So I just want to make that clear that this MOU is a joint partnership and not a takeover and this is something that you know in our City Managers working and the staff, legal and the back and forth, it's been transpiring

for about 2 weeks now you know a lot of work has been done. I know as we move forward, it's just going to be a partnership and not a takeover."

Councilor Casey stated the following; "Thank you Mr. Mayor, I hope I don't offend anyone but I have some real concerns about the agreement. I think everybody knows that already but I don't appreciate trying to be swayed by anyone, how I should vote and each Councilor has their own opinion, which is fine. We all vote according to what we believe and what we think as individuals who represent the City how we think would be the best way to go for the community. There's a lot of times that we haven't agreed on anything, sometimes we've had to table things because we couldn't come to an agreement but those decisions are up to the Council. Not even the mayor sways on how we vote and so I think it's very important for everyone to know that we have already read the information, we've asked questions on it, if there's something we don't understand we ask, if we need more information on something we ask but I personally do not appreciate trying to be swayed one way or the other because I am the one that gets to cast that vote and I vote the way I believe is the best thing to do for the City and although I may be outvoted at least I had the opportunity to speak and think on my own. I think that that is very very important for all of us to keep in mind. If Councilor Montoya says something that I like, if he changes my mind, it's like oh well I hadn't thought about that or if Councilor Martinez makes a comment that I think is you know beneficial or something that I can live with, agree to, same thing with Councilor Ulibarri but I'm still the one who's going to cast that vote one way or the other. So I just wanted to make that very clear and to let people know that I will vote with what I think is best for the City and whatever the outcome is, is the outcome and I will go with it however it goes. However I just want people to know that I think for myself and I am not easily swayed, you have to be very very convincing to me that this is the very very best thing that can happen and I have several concerns not only about the agreement itself but how it will actually come to fruition in the future if we agree to you know agree to the agreement with the state and I just hope that in the future I don't have to come back and say I told you so because I've done that before with other issues that we have voted on and I've had to come back and say you know I may be the sole vote on something but I'm

very careful about what I read and how I think about things and the questions that I ask. So whatever I say or do that is my personal belief and that is how I will cast my vote today thank you Mr. Mayor.”

Mayor Romero stated the following; “At this time Is there any action on this item?”

Councilor Montoya stated the following; “I would like to point out a couple of things, I base my decisions on my research, my involvement, my knowledge and my experience and my little education. Lastly I just want to thank the office of Ben Ray Lujan for assisting us in Washington for these efforts, for this FEMA funding. With that Mr, Mayor, it's in the best interest I believe all parties involved and our citizens and our community and I move to approve the approval of the state of New Mexico intergovernmental agreement with the City of Las Vegas thank you Mr. Mayor.”

Mayor Romero stated the following; “I have a motion by Councilman Montoya, do I have a second? Second by Councilman Ulibarri.”

Councilor Montoya made a motion to approve the state of New Mexico intergovernmental agreement with the city of Las Vegas. Councilor Ulibarri seconded the motion. Mayor Romero asked for roll call. Roll Call Vote was taken and reflected the following:

David Ulibarri	Yes	Michael L. Montoya	Yes
Barbara Casey	No	Marvin Martinez	Yes

City Clerk Fresquez advised the motion carried.

City Manager Anaya stated the following; “Mr. Mayor, if I could, I think one of the things that I said previously is that the working group is going to be essential to moving forward and so I will work collaboratively with yourself in the whole Council and staff to assemble recommendations associated with that working

group and engage in the work at hand to begin the process of carrying out the functions listed in the agreement.”

Councilor Montoya stated the following; “Mr. Anaya, Mayor and Council, I do have one last request, you know this is a big thing for our City of Las Vegas and our citizens, Mayor and Council, our staff, everyone. I would ask, that to send out an invitation letter to the governor and her staff, to Senator Ben Ray Lujan, to Pete Campos our Senator, to everybody that has been involved in this project, our staff. I would request that you send a letter to the governor invite her back to Las Vegas and let's do a big thing about this and let's show the collaborative efforts that we are doing between the city and the state and let's get a big photo of our consultants, our city staff, our representative, Senators, everyone Mayor and Council, get them in one day and have a big deal about it. This is monumental, I don't think the state has ever I don't know gotten an agreement like this, an agreement with any municipality, town or community of this magnitude. So I ask if that can happen, I mean it would be really nice.”

Mayor Romero stated the following; “That was already part of the discussion if it did get approved.”

City Manager Anaya stated the following; “I would defer to the Mayor that it had articulated that very thing so I would defer to you Mayor on the contact and the communication to help us. Let us know what I need to do to help.”

Mayor Romero stated the following; “The discussion was depending on how it went one way or another, moving forward and making sure that we do work together.”

## **ADJOURN**

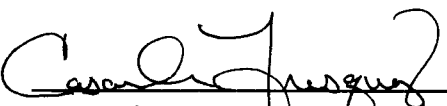
Mayor Romero stated the following; “Motion to adjourn?”

Councilor Montoya made a motion to adjourn. Councilor Ulibarri seconded the motion.

Meeting adjourned at 12:23 PM.

  
\_\_\_\_\_  
Mayor David Romero

ATTEST:

  
\_\_\_\_\_  
Casandra Fresquez, City Clerk