

City of Las Cruces®

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Council Action and Executive Summary

Item # 12Ordinance/Resolution# 12-185For Meeting of _____
(Ordinance First Reading Date)For Meeting of May 7, 2012
(Adoption Date)

Please check box that applies to this item:

 QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING THE REQUEST TO EXTEND THE PERIOD OF TIME ON THE NEW MEXICO FINANCE AUTHORITY LOAN AGREEMENT #1974-DW, TO PAY ELIGIBLE COSTS FOR THE GRIGGS WALNUT SUPERFUND PROJECT UNTIL OCTOBER 30, 2012 AND TO AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO SIGN RELATED DOCUMENTS.

PURPOSE(S) OF ACTION:

To request a loan extension.

COUNCIL DISTRICT: 3		
<u>Drafter/Staff Contact:</u> Adrienne Widmer	<u>Department/Section:</u> Utilities	<u>Phone:</u> 528-3548
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

In 2001, the Environmental Protection Agency (EPA) listed the Griggs Avenue Walnut Street site on the National Priorities List of Superfund Sites. The City of Las Cruces and Dona Ana County are owners of adjacent property in the vicinity of Griggs and Walnut and have been designated to be potentially responsible parties for cleaning up the site.

The City and County entered into a Memorandum of Understanding to jointly work with EPA on the Superfund Project and is known as the Joint Superfund Project. This Project is the remedial action mandated by the Modified Unilateral Order for remediation of the Superfund Project.

The New Mexico Finance Authority (NMFA) awarded loans on January 18, 2008, to the City of Las Cruces and Dona Ana County for the Griggs Walnut Superfund Site. These monies are for the engineering and construction costs of the infrastructure needed to treat the contamination of the groundwater at the Griggs Walnut Superfund Site.

(Continue on additional sheets as required)

On November 18, 2010, NMFA granted an amended and revised Drinking Water State Revolving Fund Loan Agreement #1974-DW, which allows NMFA to disburse money for such services until June 30, 2012. The Joint Superfund team (City of Las Cruces and Dona Ana County) in consensus with the EPA and NMFA recommend extending the period for expending funds, called the "Interim Period" in the loan agreement, until October 30, 2012. The 120 day extension is to ensure that all construction, engineering and associated reports are complete and final billing has been made and paid before the loan expires. The 120 day extension to the loans requires approval by the NMFA Board. On May 8, 2012, the Dona Ana County Board of Commissioners is scheduled to review and vote on the authorization to request the 120 day extension to the NMFA Loan.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A" – Fund Summary.
3. Attachment "A" – Letter to NMFA, Griggs-Walnut Superfund Project Request for 120 Day Loan Extension NMFA Project #1974-DW.

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY__.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

The Drinking Water State Revolving Fund Loan Agreement #1974-DW awarded monies for the engineering and construction costs of the infrastructure needed to treat the contamination of the groundwater at the Griggs Walnut Superfund Site.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
NMFA Griggs Walnut Plume 2008	40800040-854300-90100	\$1,713,092.00	\$6,300,000.00	\$4,590,920.00	Other remediation costs

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will authorize the request to extend the period of time on the New Mexico Finance Authority Loan Agreement #1974-DW, to pay eligible costs for the Griggs Walnut Superfund Project until October 30, 2012 and to authorize the City Manager or his designee to sign related documents.
2. Vote "No"; this will not authorize the request to extend the period of time on the New Mexico Finance Authority Loan Agreement #1974-DW, to pay eligible costs for the Griggs Walnut Superfund Project until October 30, 2012 and to authorize the City Manager or his designee to sign related documents.
3. Vote to "Amend"; this could allow council to modify language in the Resolution for extending the NMFA Loan.
4. Vote to "Table"; this could allow council to postpone consideration of this Resolution to determine alternate courses of action.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Ordinance No. 2423

(Continue on additional sheets as required)

A RESOLUTION AUTHORIZING THE REQUEST TO EXTEND THE PERIOD OF TIME ON THE NEW MEXICO FINANCE AUTHORITY LOAN AGREEMENT #1974-DW, TO PAY ELIGIBLE COSTS FOR THE GRIGGS WALNUT SUPERFUND PROJECT UNTIL OCTOBER 30, 2012 AND TO AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO SIGN RELATED DOCUMENTS.

The City Council is informed that:

WHEREAS, in 2001, the Environmental Protection Agency (EPA) listed the Griggs Avenue Walnut Street site on the National Priorities List of Superfund Sites; and

WHEREAS, the City of Las Cruces and Dona Ana County are owners of adjacent property in the vicinity of Griggs and Walnut and have been designated to be potentially responsible parties for cleaning up the site; and

WHEREAS, the City and County entered into a Memorandum of Understanding to jointly work with EPA on the Superfund Project and is known as the Joint Superfund Project (JSP); and

WHEREAS, this project is the remedial action mandated by the Modified Unilateral Order for remediation of the Superfund Project; and

WHEREAS, the New Mexico Finance Authority (NMFA) awarded loans on January 18, 2008, to the City of Las Cruces and Dona Ana County for the Griggs Walnut Superfund Site; and

WHEREAS, these monies are for the engineering and construction costs of the infrastructure needed to treat the contamination of the groundwater at the Griggs Walnut Superfund Site; and

WHEREAS, on November 18, 2010, NMFA granted an amended and revised Drinking Water State Revolving Fund Loan Agreement #1974-DW, which allows NMFA to disburse money for such services until June 30, 2012; and

WHEREAS, the Joint Superfund Project (City of Las Cruces and Dona Ana County) in consensus with the Environmental Protection Agency, and NMFA's recommendation extending the period for utilizing the funds 120 days, called the "Interim Period" in the loan agreement until October 30, 2012; and

WHEREAS, the 120 day extension is to ensure that all construction, engineering and associated reports are complete and final billing has been made and paid before the loan expires; and

WHEREAS, the 120 day extension to the loans requires approval by the NMFA Board; and

WHEREAS, Dona Ana County Board of Commissioners is scheduled to review and vote on the approval of requesting the 120 day extension on May 8, 2012.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT City Council agrees that a 120 day extension to the loan is beneficial for the City and County.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 7th day of May, 2012.

APPROVED

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima	_____
Councillor Silva	_____
Councillor Smith	_____
Councillor Pedroza	_____
Councillor Small	_____
Councillor Sorg	_____
Councillor Thomas	_____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



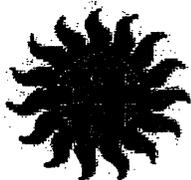
City Attorney



CITY OF LAS CRUCES, NEW MEXICO
FISCAL YEAR 2012-13

NMFA GRIGGS WLNT PLUME 2008

FUND 4025	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 AMENDED	2011-12 PROJECTED	2012-13 BUDGETED
REVENUES					
DONATIONS & CONTRIBUTIONS	0	0	3,150,000	856,546	2,295,460
PROCEEDS FROM DEBT/CAPITAL LEASE	187,874	25,551	3,150,000	856,546	2,295,460
REVENUES	187,874	25,551	6,300,000	1,713,092	4,590,920
TOTAL RESOURCES	187,874	25,551	6,300,000	1,713,092	4,590,920
PROJECTS					
90100 GRIGGS WALNUT PLUME NMFA 2008	187,874	23,438	6,300,000	1,709,080	4,590,920
90100 GRIGGS WALNUT PLUME NMFA 2008	0	2,113	0	4,012	0
EXPENDITURES	187,874	25,551	6,300,000	1,713,092	4,590,920
ENDING BALANCE	0	0	0	0	0



Joint Superfund Project
City of Las Cruces and Doña Ana County



April 12, 2012

Ms. Jana Amacher, Director of Water Resources
New Mexico Finance Authority
207 Shelby Street
Santa Fe, NM 87501

**RE: Griggs-Walnut Superfund Project Request for 120 Day Loan Extension
NMFA Project #1974-DW**

Dear Ms. Amacher,

Thank you for discussing the Griggs-Walnut Superfund project with our staff in association with the Environmental Protection Agency. Thank you for the offer to allow us to extend the expiration of our loan for an additional 120 days contingent upon the NMFA Board. With this letter we are respectfully requesting the extension be presented to your Board at the May 25, 2012 meeting.

The construction of the remedial action is moving forward nicely with a Substantial Completion date set for April 16, 2012 with a final close of May 18, 2012 with the construction contractor. By allowing us the 120 day extension, we will be able to complete the following:

- Finalize construction of the remediation project.
- Obtain appropriate close out documentation for final payment to the contractor
- Put both wells and the treatment system on line.
- Collect raw water samples to determine the PCE level being pulled from the aquifer.
- Collect finished water samples to prove that the treatment system works
- Put the treated finished water into the distribution system, where it can be sold to help pay for Operation and Maintenance of the treatment system.
- Utilize the data in the hydrology model to aid in determining the potential and probable outcome from pumping over the years.
- Prepare construction reports pertaining to finalizing construction, water sample results, and potential/probable outcome from pumping and cleaning the water and the anticipated cleanup of the PCE plume.

We are in the process of submitting resolutions for adoption regarding the proposed 120 day extension and any related loan agreement amendments that may be required before the May 25, 2012 NMFA Board meeting.

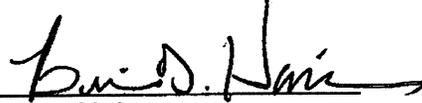
Ms. Jana Amacher
April 12, 2012
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Thank you for your consideration in this matter and please do not hesitate to contact our Project Manager, Adrienne L. Widmer, P.E., RES/TS Administrator at (575) 528-3548 if you need any additional information or have questions.

Sincerely,



Jorge A. Garcia, PhD, P.E.
Director of Utilities
City of Las Cruces



Brian Haines
County Manager
Dona Ana County

cc:

Ken Miyagishima, Mayor
Robert Garza, City Manager
Mark Winson, Chief Administrative Officer

Karen Perez, P.E., Chair
Bill Noland, Finance Director
Nasreen Nelson, Comptroller
Ed Fridenstine, Risk Manager