



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING NOTICE AND AGENDA
June 29, 2023 at 1:30 PM**

Meeting will be held virtually at the following address:
<https://regents.nmsu.edu/regent-meetings/>

Regents of New Mexico State University

Chair Ammu Devasthali, Vice Chair Christopher T. Saucedo, Secretary/Treasurer Garrett Moseley, Dina Chacón-Reitzel, Deborah Romero

Non-Voting Advisory Members – ASNMSU President Citlalli Benitez, Faculty Senate Chair Gaylene Fassenko, Ph.D., Employee Council Chair Susanne Berger

University Officials – Interim Chancellor Jay Gogue, Ph.D., Provost Alan Shoho, Ph.D., General Counsel Roy Collins III, J.D.

NOTICE

The New Mexico State University Board of Regents will hold a special meeting at 1:30 PM on Thursday, June 29, 2023. The meeting will take place online and available at <https://regents.nmsu.edu/regent-meetings/>.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Board of Regents Office at 575-646-5997 or regents@nmsu.edu at least three days prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, may also be provided in various accessible formats. Please contact the Board of Regents Office at 575-646-5997 or regents@nmsu.edu if a summary or other type of accessible format is needed.

Minutes

A. Call to Order, Chairwoman Ammu Devasthali

Chairwoman Devasthali called the June 30, 2023, special meeting of the NMSU Board of Regents to order at 1:34 pm.

1. Confirmation of Quorum and Roll Call

The Chief of Staff confirmed the quorum with 4 members present via zoom and suggested, "Because this is an online meeting so all votes should be roll call votes, simply for the record and based on the fact that everyone is online."

Regent Romero - (Present)

Regent Chacón – Reitzel? (Present)

Regent Moseley? (Present)

Regent Saucedo we are not expecting to attend today madam.

Regent Devasthali? (Present)

"Also, we have Suzanne Burger from Employee Council here today, can you please say present?" (Present)

"Faculty Senate Chair Gaylene will not be able to attend due to a professional development event today and ASNMSU President Citlali Benitez are you present? Ok, not today."

“Provost Alan Shoho, can you please say present?” (Present)

“As I mentioned earlier and pre-session madam chair, general counsel is in professional development outside of the state and general counsel Roy Collins is excused. But if you need counsel, I could certainly reach out to Scott Field for that purpose.”

“Thank you, sir, madam chair, the quorum is confirmed, and the roll has been called.”

B. Action Items

1. Revised NMSU System: Five-Year Facilities Plans, Associate Vice President Raghu Raghavan

Associate Vice President, Raghu Raghavan, “Thank you Regent Chair Devasthali, good afternoon, everyone. Thank you for being present to view the revised annual capital outlay 5-year facilities plan. So, this is the revised annual capital outlay 5-year facilities plan for NMSU. The agenda is very brief. We will look at our capital request priorities and then we’ll go into a description of our priority.”

“So, for the 2024-25 general obligation bond, this is the revised list of priorities that you see here, for the CMI, Creative Media Institution building at Arrowhead Park, we have split this project into 2 phases. For the 2024, 2025 year, we will be asking thirty-five million dollars for phase one for the construction at Arrowhead Park. We have also upped our Ag Science Centers ask to twenty-five million. As we all know, our infrastructure is in dire need of repair. So, for a steam infrastructure, we will be asking for ten million, and our electrical infrastructure, we will be asking for 10 million for the 2024-2025 general obligation bond here. So, for the 2025-2026 Severance Tax Bond, we plan to ask for the remainder of the money for the Creative Media Institute and that will be twenty million dollars. As you can see the total asked for CMI has been upgraded from the original forty-nine million dollars to fifty-five million dollars to account for increases in post COVID and inflation. For the STB, we also plan to ask for ten million dollars for the data center which would be the technology infrastructure building, to be constructed on the former Regents Row Residents Hall, northern site. We also plan to be asking for upgrading our water wells infrastructure, so that is a 5.5 million dollar ask, and then again upgrades to our electrical infrastructure will be a ten million dollar ask.”

“For the 2026-2027 general obligation bond, we have a new ask, which is the renovation of Walden Hall. As you all know Walden Hall is currently unoccupied, it is inhabitable. So, we felt that this would be a suitable time to renovate, ask for the money and renovate all involved. We are also asking for another thirty million dollars to upgrade our Ag Science Centers, and then we continue with our electrical infrastructure upgrades asking for twenty million dollars. So, here is the information on the Creative Media Institute building. It is going to be a state-of-the-art technical lab space for teaching future filmmakers. The goal with the curriculum is to increase industry partnerships which helps meet the growth demand of this rapidly growing program. And then eventually they get Milton for revitalization and reuse and revitalization and for non-specialized use.”

“Speaking about deferred maintenance, as we know NMSU has a significant deferred maintenance backlog. We have about 575 million dollars in total deferred maintenance and our Ag Science Centers need about eighty-seven million dollars in upgrades. So, this is a description of the needs of our steam distribution system. We need to desperately replace failed and inefficient steam distribution infrastructure and focus on a comprehensive approach to improve utility, reliability, reduce operations and maintenance costs to improve our indoor air quality, student experiences and research success. The majority of NMSU's infrastructure is beyond 30 years old. Because of steam corrosion we incur about \$800,000 in repair costs annually. We also incur significant building property damage. The insurance claims associated with property damage directly attributed to steam infrastructure failure is over 850k from 2021 to present. The impact on costs related to steam losses is over 400k. \$400,000 annually for natural gas, chemical treatment, and domestic water usage. Similar, electric grid is also in desperate need of repair, 40% of NMSU's electrical grid is fifty plus year old. We need to replace end-of-life electrical infrastructure to improve reliability, resiliency, and

safety. The plan to upgrade this infrastructure includes replacement of substations, coordination relays, transform us switch gears, cables, overhead and underground conversions and to better support renewable technology implementations to meet the State carbon neutrality mandate.”

“Our Ag Science Centers, again, they have about eighty-seven million dollars in deferred maintenance needs. We all know how important they are to our state. The plan includes housing for researchers, demolition of derelict structures, replacement facilities, site infrastructure and improve equipment.”

Chairwoman Devasthali: “Any questions?”

Regent Chacón-Reitzel, “I do not have a question, just would like to thank you for the revisions in this plan. I know that we are not there yet. We are getting closer to that eighty-seven million deferred maintenance at the Ag Experiment Stations, I think, with this step-by-step plan. I am also happy to see that we are dealing with the infrastructure issues that we have been talking about for so long. That is the only comment I have.”

Associate VP Raghavan, “Thank you Regent Chacón-Reitzel. So, we have addressed the entire eighty-seven million dollar need in the 5-year plan, what you saw in the presentation is the 3-year plan, but in the 5-year plan we have addressed the eighty-seven million dollars need. Any other questions?”

Regent Moseley, “Thank you Chair and thank you Raghu for the presentation and information. Regarding the tunnels, how much of that is towards the tunnels that supply the different energy and different uses for the university? And how much of that is new infrastructure?”

Associate VP Raghavan, “Thank you for the question, Regent Moseley, I will begin the response and then I will have Pat Chavez who the energy guru is here, continue. We look at upgrading steam infrastructure keeping in mind that eventually we must transition to electrification. So, the current asks for upgrading our steam infrastructure are what is necessary. The total steam infrastructure ask, would be about 40 million, but we’ve restricted it to 10 million, just so that we do not upgrade to the extent that we would have to decommission it later on. So that is why we kept our ask to ten million. And now I will let Pat Chaves, our director of energy utilities speak.”

Executive Director, Energy Services Pat Chavez, “Thank you for the question, Regent Moseley, and members of the board. So just to keep in mind the diverse types of monies utilized for the repairs that we have been seeing going on for quite some time. There is quite a bit of concrete work repairs that is happening on the tunnel structure itself that is currently being funded with BRR, so this ask is to deal with part of the root cause of this failure. It was determined that the seam losses inside the tunnel were creating internal corrosion whereas external, from storm water flow, irrigation systems were corroding it from the outside. But those are BRR dollars used to repair the tunnel at this time. So, the ask is right now to mitigate the problem with steam leakage that is propagating into the buildings, continuing to degrade the tunnels. We are getting mold propagation in the buildings. It is creating a lot of warpages and damage to structures. It was mentioned in the presentation from twenty-one to present, we have accumulated over \$850,000 in insurance claims. So, this is a step to mitigate the losses, and again, the true need. If we went back and put back what we have now, it would be a total of forty million. But we know we need to move to renewables. So, this is just to tighten the system, get it to stop leaking so that way, as we design the movement away from steam, we do not plan to seek the full forty million because that would not be the best of that. This is truly mitigation phase one, to stop the bleeding. So, then the money we will ask in the future will be tied to our energy transition Master Plan. We expect that to be done hopefully in a month. That will allow us to start plucking the projects necessary to migrate us to reinvent the need for steam and the electrical will need to be in place also to support it. So, we think these are relevant, valid

investments.”

Regent Romero, “The question is going to be, why aren’t you planning, focusing on the conversion now and putting the investments in the conversion right now? I would like to know why we are not, and what we are going to do, to try to justify that we need the ten million for steam? And I have more questions.”

Executive Director, Pat Chavez, “Thank you for the question, Regent Romero. So, what we need to understand is, to move away from steam, we must change the buildings first. Because all our buildings right now rely on steam for processing, hot water, comfort, heating autoclaves. And to just convert way from steam to like a geothermal district, the buildings are not designed to be able to plug into that. So, as we look at the, you know, we have a recent project here with Thompson Brown, and we have the award for the Chemistry Building. These are the projects that we are going to start by changing the mechanical systems at the building side that do not have the need for steam. The problem is, if we try to convert away from it now, we have no way to run our buildings unless we have steam. So, it is a chicken and an egg thing. You must get the buildings redesigned renewably before you can make use of this new infrastructure. So, the idea is again, this is just the money needed to prevent the leakage, you know, expending vast amounts of natural gas. You know that was in the presentation as well. We are seeing almost a half a million dollars in excess gas charges. That is greenhouse gas because of the losses we must over produce just to get it to the end deliver building. So, the tunnel work is purely concrete. It is not touching any of those infrastructures, which is just dealing with the structural piece. But this is where it is important. And I have already visited with our projects and engineering team that, as we design new capital outlay projects, we need to put in place the systems designed to plug into these geothermal technologies. But right now, if we converted, we could not run our buildings.”

Regent Romero, “Okay, so we need to lead with that madam chair. Patrick, we need to with that when we are talking about, we got to phrase it in a way where we know that these are our critical repairs that must happen right now, while we work on major conversions. And so, you need to talk about the master plan that is in the works so that we can identify what that conversion is going to look like. But again, be prepared, because ten million dollars is a lot of money for a band-aid, and that is what this is until we can get everything fixed, so I appreciate that.

So, the other concern that I have, or the other question I have is, we talk about the Ag, I think we need to rephrase the way that we mention the Ag project because leaders again, bureaucrats like me, we’ve already invested big bucks in the department of Ag. So, we need to be clear that that was for that purpose and that what we are asking for now is for the research facilities. I’m guessing it’s that, I don’t have all the documents in front of me, and so we need to call it what it is so that it is really clear that they are not thinking that we didn’t have enough money to finish what we needed to finish, which I think is to a certain extent, I think the case. But we also have new projects. So, you got to break it out in your 5-year capital plan, so these are different projects, not the same project that we have been working on for the last 4 to 6 years. Because I was confused, and I was involved in the department of Ag project 6 years ago. So, we just got to make sure that we have that cleared up. The other question I have, that was a statement this is a question. So, the creative arts building project, can you tell me how you are phasing it? Because when I look at the 5-year plan that you are proposing, I see the plan and design in there twice. So, I just would like better understanding of how you are phasing this project and how you are breaking out the cost, the way that you have broken them out.”

Associate VP Raghavan, “Thank you, let me share my screen once again. So here is the budget cost plan for phase one. So, it is a thirty-five million total ask and due to the nature of this project and the nature of the classrooms, production spaces, specialty spaces and so on and so forth, this cost is

broken down by square foot. And here I am going to have Jose step in to elaborate. Jose Loera is the Interim Executive Director of Project Development and Engineering. Jose are you on?"

Interim Executive Director, Jose Loera, "Yes, thank you Raghu, thank you for the question members of the board. So, the way that we have phased is to build the areas that are identifies here, the production spaces classroom spaces and support certain correct circulation spaces as part of phase one. Phase two would come in with the second part of the twenty million dollars, and that would include the administrative spaces, classroom spaces and graduate spaces, and both would require a design on both projects."

Regent Romer, "Why there was design twice. So, the way that Santa Fe is accustomed to seeing projects is, seeing plan, design, construct. So, when you see phase projects, it is typically because you are going to plan and design one year, construction next year and you may do equipment all that stuff third year. Or you may include it with the construction piece. So, are these two different projects? Or is it one project for CMI? Because of the way you break it out is going to be viewed as two different projects. And they are going to ask the question, why are you paying for plan and design two times, wouldn't it be better to do the plan and design for both phases? If you get the plan and design done, we would like to see that because then you know what the true costs are going to be, or you get close to the true costs. Let us take COVID and inflation out of the picture if we did not before. If before those things happened, we would see plan design. Then we know that you were coming in for what we thought were good construction costs for these projects, but breaking it out this way, we do not know what those true construction costs are going to be. I get that you are doing this in a Geo Year, so you are going to have to do the plan, design, and construct. But next time around, I hope the University will look at getting the plan and design done in a non-geo year so that when you go int the GEO, you know what those construction costs are going to be. This is going to cause confusion as well. I think you all have developed it the way that you think is best for the university at this time but be prepared because this is going to cause a lot of confusion and a lot of questions."

Interim Executive Director, Jose Loera, "Thank you, we will that that and look into that."

Chairwoman Devasthali thanked Regent Romero and went on to discuss the July 25th presentation and its importance as well as expressing her enthusiasm with the upcoming CMI project and the hopes that it will be complete with the GO Bond and Severance Bond. She goes on to mention the Ag Modernization Project and the Ag Experiment Stations and Ag Science Centers due to the need of deferred maintenance and making them a priority. She asks that she is made aware of the prioritized capital projects to be prepared when asked questions.

Regent Chacón-Reitzel is recognized and reiterates the importance of presenting to get a better picture prior to Santa Fe and encourages the team to work Regent Romero's comments and suggestions into their presentation and plans to present in Santa Fe.

Chairwoman Devasthali, "So, if there are no other questions, I will entertain a motion on the Revised NMSU System 5-Year Facilities Plan as presented."

Regent Chacón-Reitzel moved to approve the Revised NMSU System 5-Year Facilities plan as presented, Regent Mosely seconded it, all were in favor and motion passed.

Adam Cavotta conducted a roll call vote, Regents Devasthali, Romero, Saucedo, and Moseley all voted in favor of the motion.

C. Closed (Executive) Session

- 1. Close meeting to discuss pending litigation and limited personnel matters in accordance with NMSA Section 10-15-1 H(7) and NMSA Section 10-15-1 H(2) of the New Mexico Open Meetings Act.).**

D. Adjournment, Chairwoman Ammu Devasthali

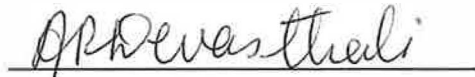
Chairwoman Devasthali made a motion that the Board of Regents adjourn and go into closed meeting to discuss pending litigation and limited personnel matters in accordance with NMSA Section 10-15-1 H7 and NMSA Section 10-15-1 H2 of the New Mexico Open meeting act. Regent Moseley seconded the motion.

Adam Cavotta conducted a roll call vote, Regents Devasthali, Romero, Saucedo, and Moseley all voted in favor of the motion.

Chairwoman: Thank you we are adjourned.

Adam will you please provide instructions for us to go into the closed session meeting?

Meeting Minutes Approved on December 7, 2023 by the New Mexico State University Board of Regents.



Ammu Devasthali
Board of Regents Chair



Garrett Moseley
Board of Regents Secretary/Treasurer