

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
7:30 P.M., COMMISSION CHAMBERS
APRIL 13, 2010**

**RON GRIGGS, MAYOR
ED COLE, MAYOR PRO-TEM
MARION LEDFORD, COMMISSIONER
JOE FERGUSON, COMMISSIONER
ROBERT RENTSCHLER, COMMISSIONER**

**JOSH RARDIN, COMMISSIONER
AARON RANCE, COMMISSIONER
MARK ROATH, CITY MANAGER
STEPHEN THIES, CITY ATTORNEY
CAMERON STERN, DEPUTY CITY CLERK
MARSHA D. BRADY, DEPUTY CITY CLERK**

Call Meeting to Order, Roll Call, Invocation, and Pledge of Allegiance.

Mayor Griggs called the meeting to order at 7:30 p.m. Roll Call was taken by the Deputy City Clerk. Ed Cole was absent, but will participate by teleconference.

Invocation was conducted by Dr. Reverend Stephen Trout. The Pledge of Allegiance was led by Commissioner Rentschler.

Mayor Griggs thanked Reverend Trout for giving the invocation tonight. It is our understanding that we will be losing him to some community up north. We appreciate his dedication to Alamogordo and his time and support.

Mayor Griggs said before we go directly to the presentations, the City Manager has a couple of items he wishes to pull from tonight's agenda. City Manager Roath stated staff would like to pull item #14 from the consent calendar, as well as item #16 under other business at this time. Mayor Griggs asked if he wanted them pulled and considered at a later date. City Manager Roath confirmed this.

PRESENTATIONS:

1. Presentation cases by Ronald Darnell, Vice President of Regulatory Affairs, about renewable plan and upcoming rate cases.

Mayor Griggs began by reading the agenda report and turned the floor over to Mr. Ronald Darnell.

Mr. Darnell introduced himself and said he wanted to thank the Commission for the opportunity to discuss the renewable plan and some changes that are in store for 2011. Relative to our renewable plan, PNM and various consumer and environmental organizations entered into a stipulation that is working its way through the process of the Public Authorities Commission. That would bring about 79 megawatts (MW) of total photovoltaic power to our service territory. It is split up into three main parts.

45 MW of Utility-Sited Solar that will be spread over five different areas in the states. 10 MW of Distributed Generation, PNM would actually own this. The notion behind that at the time is it might be the best way to profit our tax exempt entities participate in distributed generation. Up to that point, the Legislation had not passed the law as to third party and we can discuss that if necessary. There is also 24 MW which is dedicated to distributed generation not owned by PNM but owned by customers. Customer provided distributed generation would be marketed by entrepreneurs, small contractors, and would range from roof top installation on homes that are generally 2.3 kilowatts (KW) all the way up to larger 1 MW systems such as malls, airports and possibly some of the larger tax exempt organizations. We are set to go to hearing on May 17th, and we should have a decision on that some time in July if the Commission excepts that PNM is well on its way with meeting its renewable portfolio standard obligations, including the solar carve out. That leads us to the need for a rate case. He would like to set back and review a little bit on how we arrived at this situation we are in. PNM acquired TNMP in 2005. At that point in time, it was agreed that the TNMP rates would be dropped 10 percent and it was also agreed that there would not be a rate increase purposed or

become effective until January 1st 2011. There was another part of that stipulation that is proving to be somewhat problematic and that is the notion that even though the PNM system that serves both northern and southern New Mexico, is an intergraded system. The rate making, for pricing purposes, it was decided that the south would assumed to be served off a gas generation. He wasn't here at that time, but he understands the logic behind that is that TNMP in the south had really not owned much generation or purchased off the market. Northern New Mexico has been served since the 70's by coal fire generation coming out of the Four Corners area, and nuclear power out of Palo Verde coming in from Arizona. The thought was that since the customers in the north had already paid for the high cost of installing those systems, it would be a little unfair for the north if the north and south was merged at the time and the north had to cover some of the cost for the natural gas. It seemed to work out well at first because of this rate freeze and it is probably a stipulation that has unintended consequences. The ramifications is that when we first looked at the situation in 2008, when gas prices were high, if we would have followed that stipulation and had we filled a rate case, the increase would have been something like 70 percent in the south. The first thing we need to do before even thinking about filing a rate case is to figure out how to combine the north and south into one system for rate making purposes. The reason PNM is not intending to file an increase on January 1st 2011, because we do not have that situation fixed. The one thing that he has encouraged people to do is to contact the Attorney General (AG) or staff on behalf of the south and say it is time to change the stipulation. The way it is set up right now, per that stipulation, the north and the south can't be combined until 2016. He would like to talk about this rate case and where it leaves us. Gas prices are very low right now and it just so happens that even if we follow the stipulation, the north and south rate increases would be very similar but that is false security because the price risk is all in the south for the PNM system. If we follow the stipulation, most of the gas generation that PNM owns is assigned to the south and that gas price risk would follow that. Even though prices are low now, we believe that as the economy rebounds, gas prices will follow, and that price risk is going to be absorbed by the south. The very first thing that we need to do is to get an agreement to combine the systems and then talk about what is a proper rate increase for the entire system. To that point, the fact that we are planning, if our stipulation and renewable is approved, we will invest about \$265 million into solar. That is one component of the rate increase but it is not the only one. The coal plants that we have and the nuclear plants that we participate in, the older plants that require maintenance and is not that much different than driving a car, you have to keep it maintained and it cost money to do that. Just to continue to fulfill our obligation to try and serve the system, we have to maintain those plants, we have to put pollution control equipment on them and that is a major driver of the case. The last issue is the loss of load. Because of the economy, PNM's load is down tremendously from 2008, probably \$30 million a year through lost load. Unfortunately those fixed costs don't go away so there are fewer of us who can share the cost burden of paying the financing cost on the system itself and that is driving prices up. We plan to file this rate case towards the end of May or by June 1st; he is not prepared to talk about what the percent will be but it will be large and significant. One of the things they are encouraging are those cities in the south finding a way to participate in this case and have a seat at the table. These cases tend to be negotiated and it is really important that all the participants that are impacted by our rate structure have a voice in figuring out a way to move forward in a way that allows the company to meet its obligation to serve but doesn't destroy the economy of New Mexico at this time. He then asked if anyone had any questions.

Mayor Griggs said before we address any questions to Mr. Darnell, he would like Mr. Mike Espiritu to come up and discuss some of the things that he as been doing in relation to this case.

Mr. Espiritu began by saying that he not only represents the many business owners that are members of our Chamber of Commerce but also the Otero County Economic Development Council (OCEDC). After learning about this significant projected increase by PNM, OCEDC strongly opposes such an increase because it is absolutely devastating on the people in these five communities. It is not only devastating to the people, but also to small business, large business and the possibility of attracting future projects to these five communities. The five communities that are affected by this PNM rate increase where part of the TNMP purchase acquisition that happened five years ago as Mr. Darnell spoke of and include Alamogordo, Ruidoso, Tularosa, Silver City and Lordsburg. He has

spoken with each of these cities and they are all in opposition to such an increase. We have created a coalition with these cities to oppose such an increase to the Public Regulation Commission (PRC). He has filed a motion with the PRC to intervene on behalf of the cities and he has sent letters to the Attorney General, Governor, Lieutenant Governor, all of our State Representatives and Senators. He personally had a conversation with the Secretary of Economic Development and several other individuals. OCEDC will continue to watch and monitor this and PNM has been gracious in giving us information, but we do oppose this because it has a devastating impact on all five of these communities.

Commissioner Rentschler asked Mr. Darnell that he mentioned the different between the north and the south and the south being supposedly on gas generation and the north has taken their power from Palo Verde and the Four Corners coal fire plants, those being cheaper and the gas being more expensive; is PNM indicating that will still be the case or is PNM indicating that they need to be combined into one system.

Mr. Darnell explained that the system is completely integrated. The electrons that flow on the system flow to the north and the south, they come from a combination of nuclear, coal and gas. It is PNM's position that the stipulations should be honored and that we should find where that all four signatories should agree that it is in the public interests to change that stipulation and that it is time to merge the north and the south.

Commissioner Rentschler asked Mr. Darnell if he could explain what was meant when he said they will not be filing a rate increase until next January.

Mr. Darnell mentioned what he was saying is that the stipulation for the acquisition from TNMP said that after that 15 percent decrease, the rates would be frozen up until January 1, 2011. What he said was that PNM made the decision not to file the implemented increase effective that day because we thought it was best to try to work this system out to provide a better rate structure on a combined basis for the north and the south. When that happens, we will no longer be talking about the north and the south; we will be talking about one set of tariffs. We are not there yet. Commissioner Sandy Jones became aware of this, we brought it to his attention in late 2008, early 2009, and he established an investigation and we are continuing to negotiate with him on that docket. We have a meeting on Friday with the Hearing Examiner Bill Herman presiding and it is to try to get a new stipulation in place that will allow a merger of the two systems to take place for rate making purposes in this rate case.

Commissioner Rentschler said the figures that Commissioner Jones used in this chamber a year ago was 65 percent was possible, which is astonishing to consider that our rates could actually go 65 percent above what they are right now. As Mr. Espiritu alluded to the impact on Economic Development, the impact on each and every one of us here in Alamogordo and the other municipalities we are talking about would be significant. Is that anywhere the figure that you are looking at.

Mr. Darnell stated that figure came from his office and was based on gas prices at that time, per the allocation of cost for this stipulation. There is no way one can argue that serving the public interest at all. As gas prices have fallen, if we were to redo that study today, the increase would be somewhere around 26 or 27 percent. He understands that is a bad increase but it could very easily creep back up to that 45 to 60 percent ranges. Gas increases and it is that price for us that needs to be shared by the entire state and not just the south.

Commissioner Rentschler asked if there was any resistance with changing that stipulation. As you know, an electron flowing out of a photocell here in Alamogordo could be in New York before you even think about it; this is all one big grid so it makes absolutely no sense to consider us as separate.

Mr. Darnell said with all due respect, if there wasn't any resistance, we would have had it done months ago; we have been talking to the parties for quite some time. There is some resistance and that is why he started his remarks by trying to talk about the logic of this to start with. The way these

cost gives into rates, the power plant is built; the utility recovered is not a level amount, but the net book value. The customers in the north from the 70's and 80's paid down the capital amount of Palo Verde and other, so therefore, from their point of view, they should be able to enjoy those fruits of those lower coal costs for fuel. When you bring gas in, the low capital cost but high operating cost, ideal cost, which is the tension. At this point today, if we were to merge the north and the south, the north would have to pick up \$12 to \$15 million of additional costs because of the fuel being merged over the whole system. That literally amounts on an average residential bill to less than a dollar per month. Commissioner Rentschler said that is fairly reasonable. Mr. Darnell explained that is one thing he has been trying to say today is that fuel price risk should be spread across the entire customer base of PNM, not just 60,000 or so that we serve in the south.

Commissioner Rentschler asked where this resistance comes from. Mr. Darnell explained the resistance comes a little bit from the staff and a little from the AG. We are still trying to work through this and are meeting again on Friday. It is troubling to rate the stipulation, but he really does not have a great answer for that. We are continuing to work through that and are prepared to put some of our money on the table to get this settled because it is not in the public's interest.

Commissioner Rentschler asked if this was an internal PNM situation. Mr. Darnell said no, the situation is there are four signers, PNM, the Attorney General, the staff of the Commission and New Mexico Industrial Electric Customers (NMIEC). NMIEC is basically an industrial group that intervenes in utility matters and they are pretty much indifferent to this. It is really getting the AG and staff, he thinks staff is close to agreeing with us, but the AG could use a little bit of a push from the south as a reminder to them that they represent the entire State of New Mexico, not just the north.

Commissioner Rentschler said we can certainly give them a little push. He then asked how many members of the audience were there for the PNM rate increase. More than half the audience is here for this item and this is the best turnout we have had for awhile. He would like to turn the floor over to the rest of the Commission, but he does have some questions later about renewable energy.

Commissioner Ferguson stated with the premise that the people in the north paid for Palo Verde and the areas up there which PNM owned, PNM came down here and bought this and to him that doesn't hold water because PNM didn't have to buy this; we were under TNMP from El Paso. He believes it is PNM's choice to buy the southern part; therefore we should be included in the same rates as the northern part. The north may have paid for all that, but we were not the ones who decided to come in here and buy all the utilities in Alamogordo, Ruidoso, Lordsburg, and the other, PNM bought it so we should be included the same as them and not be separated out and that is what is happening. We are being separated by PNM saying we did not pay for Palo Verde because we were not part of the system. PNM didn't have to buy us, they could have said since we are not part of the system, we were not part of the system; we could stay with TNMP and left it alone. He looks at PNM as Power New Mexico and to him it is also south of I-40, because New Mexico is also south of I-40 and not just north. He then asked if PNM had developed any new plants in the recent years.

Mr. Darnell said the newest plants to come on the PNM system are actually gas plants near Lordsburg and Afton. He agrees with Commissioner Ferguson but the additional point that he would make is the fact that those gas plants are on the system is a tremendous benefit in bringing renewable power onto the system. A lot of the renewable power flows through the entire system and we have about 200 MW of wind, for example. He really doesn't know how that wind could be created without the gas; fire generation could follow that load. His point is that the gas system itself is providing tremendous value to this system.

Commissioner Ferguson asked as far as the gas goes, aren't you required to use a certain percentage of the bio mass to fuel the coal fires and the plants. He looks at it as we have a huge old landfill and we are getting ready to cap two places in our other landfill which are lined and all we would have to do is stick water down there and it would start producing methane gas and that would supply tons of gas to run the plant that is practically free. He is not sure if anyone has even thought about that but that landfill has been closed for quite awhile and even though it is not lined, he is sure

there is a lot of methane gas underneath there. He knows the new landfills are all lined and all they would have to do is put a pipe down there and push water in there and it would start producing methane gas like it is going out of style. He would like to know who owns PNM. Mr. Darnell explained that they are a publicly trading company owned by our shareholders.

Commissioner Ferguson asked who the major shareholder is, are they a subsidiary of any other company. Mr. Darnell said PNMR Resources is the owned company and underneath that company is PNM utilities, PNMT utilities located in Texas, a retail energy provider, First Choice Power and there is a power subsidiary called Optim; we are publicly traded.

Commissioner Ferguson asked who the largest shareholder is. Mr. Darnell did not have the specific entity, but he believes it is funds, pension funds, and stock holders. Commissioner Ferguson said he knows they need to make money for their stock holders, but he looks at it as all the stockholders live in other places than New Mexico and the profits are leaving and not staying in the state. He is going to ask if he can speak before PRC as well, because he does not think this right and we should be treated the same as the north. As he said before, PNM bought us and it should be on them and not us. We are being signaled out because we did not happen to belong to PNM at the time. Commissioner Rance stated he heard this several times today, what was significant about 2016. Mr. Darnell explained the original stipulation governing the acquisition of TNMP said that the two territories would not be merged, for rate making purposes, until 2016 unless the increase to the north was 1.5 million or less. That is a hurdle that is almost impossible. Commissioner Rance added that typically, the individuals in the audience and us, business owners, receive a stair step of increases to reach, let's just say the 26 percent by 2016. What are the chances of that versus waking up on January 1, 2012 at 26 percent?

Mr. Darnell said the last rate increase for the north went into effect in 2009 and 2010 was a grand total of \$77 million and it went in at 65 percent in 2009 and 35 percent in 2010. That total increase was a little less than 10 percent. A 26 percent increase will not be stepped in all in one fall swoop. He is not saying the final will be 26 percent, but any type of significant rate increase would have to be stepped in.

Commissioner Rentschler stated what you will find is that a number of people are also a member of the solar community here in Alamogordo. The solar industry here in Alamogordo has been built up and there have been jobs founded on it and they are built up on a business plan that is stipulated by PNM. The concerns we have are looking at the way the incentives are going to change, could you explain if you are looking to cap the rate at 26 percent no matter what happens to the rest of it.

Mr. Darnell asked if Commissioner Rentschler was referring to the elimination of net metering. Commissioner Rentschler confirmed this. Mr. Darnell said he wanted to take a moment to explain all this. We met with largely an organization called ARIA, and he does not know if anyone present tonight is a part of that organization, the give and take of those early meetings is that their business owners were looking for a viable future where they understood what the rules were going to be so they could build their businesses. One of the things you must understand about PNM, they are the lowest rated utility in the Public Trading Utility in the country, about 187. We don't at this point in time; have a lot of money to give away and net metering is just that. We have about 435 customers on our system right now that are net reader residential customers. Every time we sign up a net meter customer, we lose on average, \$35 per month. So we said, to give you what you are looking for, we need to figure out that problem. What we agreed to with the vendors is what we call a by all, sell all, but was more like a feed and tariff. The change was we would double the Renewable Energy Credits (REC) payments, the current plan is \$0.13 plus the net metering benefit, we called it \$0.26 but the assumption is that the EG customer buys all of their usage at the tariff rate, whether its produced by a generator or produced by the system and we would make this really high payment to compensate. That is the deal that we made, we call this the Solar Performance Program (SPP), and the SPP has various REC payments for various sized systems. The thought there is one; the marketers were actually saying they wanted that REC price to decline as they reached various levels of penetration on the assumption that as the panel crisis comes down, where they could actually sell more units,

because there is a capped amount of money available for this program. We have got different levels of REC payments based on size, it goes from \$0.26 up to 100 KW and it ratchets down to \$0.22 per system that is MW. The notion was to try and find a situation in which utility could not have to ask the non-participating customers to cross subsidize the EG owners and allow an environment where EG can prosper. That was the goal and we hopefully hit it and he knows it is happening.

Commissioner Rentschler thinks a lot of people are concerned when you have this REC capped at \$0.26, it won't go anywhere as the utility rates or KW rates continue to go up, therefore they start to lose some of there payback. What happens to existing contracts, if he put a couple of KW on contract a few years ago, signed a contract through PNM, what happens to that contract? Is it honored out to 2018?

Mr. Darnell explained that the terms of the contract are fixed for the term of the contract. Let us first talk about customers who are participating, EG customers, before this goes into effect, they will continue to get that metering and the \$0.13 REC payment at the residential level. If a customer signs up, say they are the first customer under the new program at \$0.26, he believes the residential contracts are 20 years, they will receive that REC payment at \$0.26 for 20 years.

Commissioner Rentschler wanted to be reassured that the current contracts would be honored and not changed. Mr. Darnell said we understand that certain economics are assumed; yes we will honor those contracts and the net metering that goes along with those contracts. That is in the stipulation.

Commissioner Rentschler mentioned there are a lot of solar people in the audience and he is sure they would be glad to hear that. When do you expect this to come in as soon as the rate increase, are you looking to do it all at once, or is this happening now?

Mr. Darnell stated it is happening now. There are separate dockets. The renewable stipulation docket is well under way, answer testimony is due around the 26th of April, rebuttal is due a few weeks after that and the hearing are the week of May 17th. We will probably see a decision 30 to 60 days after that.

Commissioner Rentschler said what some of the people reading into this is that PNM would pay the REC up to the amount actually used by the customer and the excess generation was going to pay to the voided cost, is that true. In other words, if he uses 750 KWh and he produces 1,000 to 2,500 KW hours would it be paid at the REC or the voided costs. Mr. Darnell explained the difference between what you would need in your home and what you throw on the system is at a voided cost.

Commissioner Rentschler said if that is the case and he has a system that is using 750 and he is producing 1,000, what PNM wants him to do is go out and by inefficient appliances so he can buy more electric and now worry about it. It doesn't lend itself towards efficiency. If a small customer gets the REC payment all the way through that 1,000 KWh, they get it and you take it out of there bill and they do get paid that extra 250 that we are talking about over and above, because of their production and their investment. They are many people who are doing this for more than just free energy; a lot of people are doing it for the right reasons. It is a good thing for America for us to actually be producing this energy here. He asked if Mr. Darnell was saying in contracts, in the future beginning after the SPP goes into effect, September or October time frame, PNM would pay the REC based upon the consumption. If they produce more power than what they consume, would they be paid \$0.02 per KWh for that power instead of \$0.26. Mr. Darnell stated it would be higher than \$0.02, it is more like \$0.09, and it is a tariff rate.

Commissioner Rentschler said he knows the voided rate in the Otero County Co-Op is somewhere in the area of \$0.03 or \$0.04. Mr. Darnell stated he would have to check, but he is pretty sure our voided costs are more than that. The notion, because this was discussed a lot, was not to take advantage of the solar owner. The notion was to provide an appropriate incentive to size the generation for the use of the house. The rest of the customers have to pay this subsidy and that was the balance. We were negotiating with a lot of different interests and that was the balance that we

struck that the excess would be paid out of voided costs. He thinks it is balanced on a yearly basis because there are times when there will be more solar than others. The incentive that was discussed was to get customers to buy solar capacity equal to their load.

Commissioner Rentschler asked if this was going through the PRC right now and will become effective if the PRC agrees to it in September or October time frame. Mr. Darnell confirmed this.

Mayor Griggs said before he turns the floor over the Commissioner Ferguson, he would like the Commission to agree to allow the City Manager to draft a letter for his signature to the Attorney General, which would do some of the things that Mr. Darnell has discussed. The basic one would be saying that we need to combine the north and the south for rate purposes. He would also like to ask the Commission for their approval so if we need to bring this up at the next meeting or so, to participate with OCEDC in the intervention for the rate increase so we can have a seat at the table and know what is going on so we can protect the citizens of Alamogordo.

Commissioner Ferguson asked Commissioner Rentschler about the solar issue, where people who produce more electricity than what they use and PNM buys it from them, but they buy it at \$0.09. What is the regular retail cost? Mr. Darnell said he believed it is about \$0.11. Commissioner Ferguson stated PNM is actually making money on this then. They are not losing money from these people who are doing excess generation because their bill is free. They are actually making money but PNM is taking that excess and selling it to someone else at a retail price. PNM is actually making money because the difference in what they give the solar customer and how much they charge someone else.

Mr. Darnell said they don't make any money; it is a pass through cost to the rest of the rate payers. Let's say, for example, that one individual is selling his excess power to another customer, PNM just acts as a conduit for that deal. We would not mark up his excess power.

Commissioner Ferguson said PNM not the people is really getting the excess power because his neighbor could not give him their excess power. The customer pays PNM not the people who provide the excess solar power. Mr. Darnell explained PNM charges the customer the same amount that they buy the excess power. If we pay them \$0.09 for the power, that is what we sell it for, no profit.

Commissioner Ferguson said so all of these people who run the excess and it is \$0.09, can you tell them who is getting their power or is everyone getting charged \$0.09. Mr. Darnell explained the power just goes onto the grid. They cannot trace where the power goes. Commissioner Ferguson stated that is what he is saying. The power goes on the grid and PNM sells it at the retail price, yet they are paying the excess power people another price, so the difference they pay for it and then sell it is all profit. Mr. Darnell assured Commissioner Ferguson that they track all of this information separately. We know what comes into our system that is excess power, we know what we paid for it, and that is what we charge the rest of the system users. It is his experience that most customers do not oversize their systems. They know there are some, but the vast majority of customers do not because it is expensive. All of the solar that comes onto the system, that displaces coal fire generation for example, we sell that on the open market and we return those profits 100 percent to our customers.

Commissioner Rentschler said on the open commodity's market, do they ever see a moment when renewable energy systems would be allowed to sell their REC on a REC commodity's market. Mr. Darnell wasn't sure but he guesses it could be possible. He knows the ownership of REC is a big deal. Commissioner Rentschler stated the reason that PNM actually got into renewable energy, was because it was government mandated; is that correct. Mr. Darnell confirmed this and said it is a state wide renewable portfolio standard.

Commissioner Rentschler asked what the mandate was and the dates involved. Mr. Darnell believed 15 percent has to be generated from renewable power by 2015 and 20 percent by 2020. Beginning

in 2011, there is a diversity targets; 20 percent of the 15 percent has to be solar and 20 percent has to be wind. Biogas isn't actually segregated out; it is kind of in a category called other. When we sent out the RPF for the Renewable Plan, we indicated the Biogas because it is based on any utility but we have not had anyone commercially develop it here in New Mexico. This stipulation will move us towards compliance. There is no way we can reach diversity on solar under the reasonable cost threshold that is also part of the legislation unless you give a higher value to the RECs. The stipulation states for every solar KWh we get, we can count it as two RECs towards RPS compliance.

Mayor Griggs asked if Mr. Darnell has indicated the hearing for this particular issue is the 17th or May. Mr. Darnell stated he believes the 17th is a Monday and the hearings are scheduled for the entire week. It is going to be a very controversial topic.

Mayor Griggs said anyone who is interested in that particular side of this can certainly attend the meeting in Santa Fe. He then asked if he had agreement from the Commission to the two proposals that he made. The Commission gave their full support.

Mayor Griggs thanked Mr. Darnell for his time and hopes everyone has learned something and said it is going to be very important for us to be involved and have a seat at the table because the electricity that we all pay for, if the rates go up it will be a big hit and we need to be involved in the process.

2. Presentation, discussion, and possible action, on status of the Premier Pellets Project by Mike Espiritu, Executive Director of the Otero County Economic Development Council.
Recommendation: OCEDC recommends approval of the funding to Premier Pellets of \$241,000 from the Municipal Infrastructure Gross Receipts Tax for economic development as stipulated in the Local Economic Development Act.

Mayor Griggs read the agenda item and said Mr. Mike Espiritu, Executive Director of OCEDC will make the presentation.

Mr. Espiritu began by saying at the last meeting he talked about a company called Premier Pellets, LLC. Tonight he is going to talk a little bit about five different items; the company, the request for assistance from OCEDC and the City of Alamogordo, some factors that have led us to where we are today, the results of the OCEDC evaluation, and also our recommendation. First we will talk about the company. This company was formed in response of two national priorities; energy policies involving alternative fuels and wild lands and urban interface involving wildfire prevention while maximizing the utilization of biomass. This company is heavily experienced and dedicated to renewable energy, watershed restoration, forest husbandry, hazardous fuels reduction, and green energy. They have an experienced team of three individuals who are heavily experienced in ecological restoration, habitat improvement, and treatments of massive amounts of biomass remaining on the ground following these types of projects. The company purchased 160 acres in Tularosa, significantly improving the land to create the pellet mill operations. Early on they were faced with some challenges. They had water protests from 24 land owners that surrounded them, and not because of their concern about water but because they were concerned about billowing smoke stacks, lots of noise and traffic. They took the time and visited with their neighbors and all the protests dissolved. They had to construct a rather expensive bridge to gain access to their operations on the property over an existing arroyo for their vehicle traffic to move the product in and out. They had a rather expensive electrical connectivity issue to power their mill. Although the pellet piece of Premiere Pellets was temporarily stalled, because they could not meet home heating season markets, these three individuals came up with an alternative strategy; they started developing a wood shaving mill. The wood shaving mill became an alternative to capitalizing the business back in 2009, and currently they sell every ounce they produce in their 8,000 square foot facility. The shavings are sold in bulk, every day you can see trucks pulling in and out, and they are used as bedding materials for animals from hamsters to horses. The shavings accommodate the animal husbandry industries such as the Ruidoso Downs Race Track and affiliated stable and training operations. The shavings are sold and transported throughout the state and even into Texas. Premier Pellets has been in business for over a year and have invested over \$1.6 million with local businesses and contractors in

constructing their company. As you recall, when the Mescalero Apache Tribe Sawmill closed last year, it nearly put out several businesses. Those businesses were some local logging and trucking companies, small young people who were faced without income. Premiere Pellets stepped in, they continued to purchase their small diameter timber and lumber from those companies and stock piled them on their property, waiting for their projected mill production. At the time the sawmill closed, Premiere Pellets was in their initial construction phase, but again, they kept buying these logs and stock piled them on their property. You may also recall that at the same time the pellet mill in Ruidoso suffered a catastrophic fire. As a result of that fire, Premiere Pellets voluntarily attempted to assist them in keeping their operations opened; however, that mill has other challenges and did not reopen. Premiere Pellets came to OCEDC and asked for some assistance, and we did that in two ways. The first thing that we did is we worked with the New Mexico Economic Development Department (NMEDD) and testified on their behalf to help them receive some funds through the Job Training Incentive Program, which granted them \$104,000 in job training funds. Premiere Pellets has requested \$241,000, in exchange for job creation from our local gross receipts tax fund. The funds will be used for a biomass drier so they can dry and bag the wood shavings, and sell them to improve their profit margin. Some of the funds will also be used to fund the utility infrastructure they have on their property. The OCEDC group formed a Due Diligence Committee to review company information and determine if a recommendation would be appropriate for the use of the funds for this organization. We obtained the necessary company documents to include business plans, marketing information, a complete financial data of businesses, personal, tax returns for the past three years and a comprehensive independent financial analysis was performed by a financial analysis team from Las Cruces. We also entered their company data into our current economic development incentive analysis program, which is a similar program used by NMEDD. The Due Diligence Team consisted of a senior executive lender here in town, a CPA, and a prominent local businessman who reviewed their company data. The team met on several occasions, had conference call with the owners on several occasions and visited the plant physically to confirm and understand the scope of their operations. Some factors they considered is the company is comprised of three veteran businessman, with extensive experience in forest and disaster restoration and recovery efforts; the company has an on-site plant foreman, an Alamogordo native with over 10 years in the wood pellet manufacturing experience and 28 years in manufacturing; their company has infused over \$1.4 million, which he mentioned earlier, to create the wood shaving and /pellet core infrastructure; the company has been in full operations, with two shifts, for over a year; they currently employ 16 personnel, 9 of which live in Alamogordo and 7 who have spouses or family living or going to school in Alamogordo, 6 live in Tularosa and 1 in Mescalero; they have an estimated payroll of \$379,600. They have funded the project through a bank loan of about \$1 million with an estimated equity investment of \$947,565. The purchase of this dryer through the funds requested will create 9 additional full time jobs. The current bulk-shaving operations will generate between 3 to 5 truckload deliveries daily. They have existing contracts for wood products; logging and trucking companies currently employ 6 workers and the added equipment will allow them to hire an additional 12 employees. During the July to October time frame, they paid \$104,000 to those companies to help keep them in business. They have numerous letters of support from a variety of folks from the Forest Supervisor to small business owners here in town where they do a lot of purchasing. There are about 40 businesses they purchase products and services from to use in their business. We input their data into the 10 year modeling program and in looking at these numbers, you may wonder how can that be, 524 jobs created both new and indirect. He wants to explain about the modeling program and how it works. The program takes into consideration, the nature of the business. They look at their industry code, the impact their company has on other like businesses such as logging and trucking, it also looks at their impact in the community, whether it is people employed in town, demand on our infrastructure, spouses that are employed, but more importantly the payroll that is paid here as well as the money that is generated outside our community and brought here. The salaries estimated over that 10 year period are substantial. Gross Receipts Tax is also quite extensive and the market value of the property by the 10th year is also quite extensive. OCEDC suggests that the applicant meets all the requirements; they appear to be both financially and managerial stable; as he mentioned earlier, they have an extremely strong and experienced team; and they already have a substantial commitment to the community. The Due Diligence Committee favorably recommends requested funding based upon the data provided to the OCEDC Board, and

the OCECD Board requests favorable approval by the Alamogordo City Commission. Our recommendation is that the Alamogordo City Commission approves the funding of Premier Pellets of \$241,000 through the Municipal Infrastructure Gross Receipts Tax fund for economic development as stipulated by the Local Economic Development Act.

Commissioner Ferguson made a motion that we give them the money.

Mayor Griggs stated we have a motion from Commissioner Ferguson to provide \$241,000 to Premier Pellets, subject to the drafting of an agreement that would spell out the terms.

City Attorney Thies interrupted and said the process would require the Commission to pass an ordinance. We would have to introduce the ordinance indicating your intent to enter into a project agreement. Two meetings after it was introduced, during that time period, we would have negotiations with Premier Pellets as to the terms of the project agreement. We then bring back the ordinance for consideration of the Commission and the project agreement and at that time, you would move to approve the agreement. It is not as simple as just agreeing to give them the money.

Mayor Griggs believed that is where he was headed, is that it is subject to the drafting of the agreement. We will have to take that a little bit further and draft an ordinance that spells out the agreement. He believes that is where Commissioner Ferguson was going; he was getting to the fact that we need to do all these things in order to provide the funding; he just wants to see us move forward on that.

Commissioner Ferguson stated he would like it to be done as soon as possible.

Commissioner Ferguson moved to go forward with the required ordinance and documentation to provide Premier Pellets with the \$241,000 as recommended by OCEDC. Commissioner Rardin seconded the motion.

Commissioner Rardin wanted to add that he would also like to see it completed in a timely manner.

Mayor Griggs stated he is sure we will move forward as quickly as we can. He reiterated that we have a motion by Commissioner Ferguson and a second by Commissioner Rardin. Do we have any other comments in relation to the project from Mr. Espiritu of City Attorney Thies?

Commissioner Rance asked City Attorney Thies how long he thought it would take to draft that and bring it back before the Commission.

City Attorney Thies stated the earliest it could be done would be the second meeting in May. The ordinance would come back before you at the next meeting; you would approve that publication with a notice of intent to adopt. The publication requirements generally require us to skip a meeting, and that would be skipping the first meeting in May, the ordinance would then come back for your consideration on the second meeting in May along with the project agreement.

Commissioner Ferguson asked if they had to skip a meeting, is it required. City Attorney Thies stated they would have to count the days and determine whether or not we could meet the publication requirements between the time it is introduced and the time it is passed. Commissioner Ferguson said he would like to try and do it where they could possibly not skip a meeting. City Attorney Thies stated it is generally not possible when you are introducing it during the first meeting in the month and then bringing it back during the last meeting of the month. Sometimes you can meet the publication requirements if the ordinance is introduced on the last meeting of a particular month and then bring it back the first meeting of the next month; it all depends on how the days fall. Generally, he would not count on it.

Commissioner Ferguson asked if he would draft up the ordinance quickly right now. City Attorney Thies stated it was not an action item. Commissioner Ferguson then asked if we could do it under unscheduled communication. City Attorney Thies stated no, they could not take action on anything that wasn't on the agenda.

Mayor Griggs said it appears it is the pleasure of the Commission, and we haven't voted on this yet, to provide the money but it is just a matter of timing at this point. He then asked for a vote on this item.

Motion carried with a vote of 6-0-0.

Mayor Griggs asked City Attorney Thies to move forward as quickly as he could.

Mr. Espiritu added that although the funds requested are for the dryer, please keep in mind that although he said it creates 9 jobs, it is actually more than that. It is the 16 jobs they currently have here plus 9 jobs. They have already been in operation and have created those jobs already; this additional 9 will allow them to continue on further in our community.

Mayor Griggs said before we close this item, is there anyone in the audience who would like to speak in relation to it. No one came forward, so he thanked Mr. Espiritu for his time.

3. Presentation on the Proposed Series 2010 Hospital Improvement and Refunding Revenue Bonds by Gerald Champion Regional Medical Center.

Mayor Griggs read the agenda report and turned the floor over to Mr. Morgan Hay.

Mr. Morgan Hay, Chief Financial Officer for GCRMC began by thanking the Commission for the chance to visit with them this evening. He wanted to give a little bit of history, the 2007 bond issue that was done was for the project that we are just about to finish up, was a variable rate funding bond issue. You know what the market has done recently, and variable rate funding will not be favorable. In 2012 we have the letter of credit issue that basically will have to be renewed, and variable rate funding has really gone through the roof. We want to take this opportunity to not only refinance those variable rate bonds, but in addition to that, we are looking at a new project to begin, hopefully the first of June or July. What we are planning to do with the new funding, it is about a \$26 to \$28 million project, and we are looking to go to single patient rooms. As you are aware, Gerald Champion is mostly double rooms. We are excited about this opportunity because single patient rooms are a great patient satisfier. In addition to that, it helps reduce infection within the hospital because you don't have patients intermingling. One of the things they did with the new unit that is being constructed and scheduled to open the first part of July, we had to take some of the patient rooms and renovate those for use by that unit and we actually did lose a few beds at that point and time. With this construction, not only are we going to go to single patient rooms, but we are also going to be able to recoup those lost beds. That is a summary of what this is, and if there are any questions, several members of the team that is putting this project together are here to answer them because they are the experts.

Mayor Griggs asked the City Manager or the Finance Director to address, for the Commission, what impact this refunding and bond issues has on the City. LeeAnn Nichols, Finance Director, said the City has no liability from this refunding or the new money; the only liability lies with the hospital.

Mayor Griggs asked what the purpose we are involved in this is. Mrs. Nichols stated it is for the tax exempt status. The hospital can use our tax exempt status if we allow them to, and that will give them a better interest rate.

Commissioner Rentschler said he understands this is a \$75 million bond. Could someone explain what this \$75 million will be spent on? Mr. Hay stated approximately \$47.5 million of that will be refunding the other bond. The balance of it is for the new project which is going to be about \$26

million, maybe a little bit more. We also plan to finish off Fairgrounds Road, which is a project we have not even planned yet. Central planning for heating and cooling, the operation is not sufficient to handle the new load. There is some cash reserve that has to be met for the bond covenants.

Commissioner Rentschler asked what the timeline is for completing Fairgrounds Road. Mr. Hay said he does not recall what the timeline is for Fairgrounds Road, he believes it will be done in a couple of months but didn't want the Commission to hold him to that. The timeline on the other project has to be completed before those two years. Because of the fact that we are completing the other project and saves quite a bit of money to be able to keep the construction folks on location, rather than breaking them down and having them come back again.

Commissioner Rance asked if the hospital will remain a 100 bed hospital. Mr. Hay stated we are licensed for 99 beds and the other unit will be outside the main hospital. Commissioner Rance wanted to confirm they would not lose any beds and Mr. Hay confirmed this.

Commissioner Rance moved to move forward with the ordinances required to allow the hospital to refund and refinance these bonds. Commissioner Rentschler seconded the motion.

Mayor Griggs asked City Attorney Thies if that was the proper procedure. City Attorney Thies said the ordinance will be brought back before you at the next meeting, April 27th, for introduction. It would then be brought back; we are looking at the second meeting in May.

Mrs. Nichols stated they were looking at May 25th being the final adoption; however, they do have a request. They would like to know if the City Commission would possibly have a Special Meeting before that date in order to do the final. Mayor Griggs said one of the things discussed before is the City Commission will have budget meetings the week of the 17th, which is the current plan. Maybe we could tag this along with one of the meetings on one of those dates and have a Special Commission Meeting for this issue.

Mrs. Nichols stated she believed there would be no problem with the City Clerk, scheduling a Special Meeting and we will just interrupt the Budget Workshops. City Manager Roath suggested we have a Special Meeting first, and then go into the Workshop.

Commissioner Ferguson asked if we are going to do that for this hospital issue, why don't we do the same thing for Premiere Pellets; do it at the same time.

City Attorney Thies said it is feasible, but he will need to sit down with Premiere Pellets and negotiate the terms of the Project Agreement. They will need to contact him immediately so he will have some general parameters to work on.

Mrs. Nichols said on this issue, because you will be doing the first reading of the ordinance on April 27th, for the final on the same day as the budget public hearings, that final will already be in its place. She thinks that is the difference between this issue and the pellet issue.

Mayor Griggs thinks they might be able to do what Commissioner Ferguson is asking, but he thinks that will be more dependent on how things happen on the discussions on how to create the payback with the job creation. This particular thing, we have millions of dollars invested with the team preparing it. If it is possible, we could do the pellet issue, but it is dependent on the terms. He then asked for a vote on this issue.

Motion carried with a vote of 6-0-0.

4. Presentation proposing to change the name of the Children's Room at Alamogordo Public Library to the Gloria Vaughn Children's Room by Library Board Member, Patricia Trautman.

Mayor Griggs read the agenda report and turned the floor over to Patricia Trautman.

Ms. Trautman thanked the Commission for their time and said she is a member of the Alamogordo Public Library Advisory Board. Tonight she is here to represent the entire library board in our unanimous decision at our last meeting, to request that the children's room in the library be named the Gloria C. Vaughn Children's Room, in recognition of Representative Gloria Vaughn's work and dedication for our library. This action was taken by the board without her prior knowledge. Initially, as you know, Representative Vaughn was able to get money appropriated for a new library. However, after the voters of Alamogordo voted down a new library, she went back to Santa Fe, and in the last legislative session, and worked to get a portion of that money reauthorized from new construction, back to renovation so that necessary repairs could be done to improve the existing library. This money, now in the amount of \$173,250 has been allocated and approved by Santa Fe for our library. This is something our community has struggled for years to get, and now the work can be done to upgrade the library. Not only had Representative Vaughn been able to get this appropriation for fixing up our library, she is a frequent visitor to the children's library herself. Recently she found a photo of her in the Alamogordo Daily News, reading to the children there. She personally bought a framed plaque and gave it to the children's library that shows boys and girls reciting the Pledge of Alliance in both English and Spanish. It hangs on the wall of the children's room in a prominent position. Representative Vaughn's dedication to the children and the citizens of Otero County can also be seen in the many organizations that she has worked in or for during the last 16 years as our Representative. She was a Boy Scout leader; she worked with the Boys and Girls Club, the Red Cross, the Salvation Army, and even finds time to teach Sunday school at her church for the 5th graders. As a retired teacher herself who taught at Holloman, she remembers Representative Vaughn coming out and speaking to our third, fourth, and fifth graders. She sat on a chair in the mist of them and spoke right to them about being good citizens and what her job is as a legislator. She remembers her coming on several occasions to visit with our students. Representative Vaughn is currently serving in Santa Fe on the Indian Affairs Committee and travels great distances up into the mountains to visit with them. She has also served for these years on the Health and Human Services Committee, the Tobacco Committee and Boards and Corrections Committee. She has worked hard for the citizens of Otero County and we feel it is time to recognize this outstanding woman by naming this room the Gloria C. Vaughn Children's Room, in recognition of all that she has done for our community and especially for the library. This is not a new idea to see that deserving people are recognized for their honorable contributions to our town. We need only look at various buildings around Alamogordo. We have the Aubrey Dunn Chamber of Commerce Building, the Morgan Building on 10th Street, Charles E. Fettinger Service Center, the Student Service Building at the College, the Sgt. Willie E. Estrada Civic Center Building and of course the Dave Townsend Library at the College. She hopes they will be able to honor this very deserving woman, and she will note that this will be the first time something was named for a woman, by naming this portion of the library for her. Representative Vaughn has not only been our State Representative, she has been a neighbor and good friend to all of us. Thank you for your time and consideration.

Mayor Griggs thanked Ms. Trautman and said the City has one building named for an individual and that is the Sgt. Willie E. Estrada Building. There are two parks named after individuals. We have no real policy for naming anything after anybody; whether alive or deceased, which is more common than naming anything after someone who is alive. Personally, he does not see any reason why we shouldn't name something after someone while they are alive if they have accomplished something that is deserving of that. He doesn't know whether or not the Commission wants to proceed with this tonight, wants to look into the establishment of a policy before we consider it or not.

City Manager Roath interjected and said one of our staff members, Matt McNeile, the Assistant City Manager, has been involved in preparing a piece of legislation for the Commission to discuss, regarding the naming policy for facilities. Mr. McNeile has presented a draft to him; he hasn't passed it on to the Commission yet but he would like to in the very near future. Whether we deal with it with this particular issue or we go forward, he believes the Commission needs to have a policy in place to

address this type of situation. He will be more than happy to pass that draft on to the Commission for a future meeting as a discussion item so we can get some feed back.

Mayor Griggs thought that would be a good idea. They took an approach several years ago about looking at a Wall of Honor. That would have been a little different than this but they were trying to recognize citizens who participated in the community. That did not go anywhere. This may be the emphasis to go ahead and address a policy and decide whether or not we should name rooms and buildings after community members.

Commissioner Rance said due to the fact that this may be a well deserved renaming, also for the fact that Mrs. Vaughn is in a contested political race, he thinks it would be appropriate to not move forward with this until we have the results of the election. It could look as favoritism if we do this now.

Ms. Trautman stated it is not renaming the library, it just says the children's room. Mrs. Vaughn did work on getting this money re-appropriated. She was at the meeting where the Commission asked Mrs. Vaughn to go back to Santa Fe and get this money, if she could, for renovating. We were all kind of dubious that it would happen, but are incited to see it did happen. She doesn't know that it is totally a political thing, because she was working on that before the election process began.

Mayor Griggs said he would like to see the Commission look at the document Mr. McNeile has, bring it before the Commission for consideration either late summer or early fall to see if it meets the criteria we establish. While Mrs. Vaughn may certainly be deserving, there could be a lot of other people who are deserving as well; potentially, somebody who is more deserving to name the children's library after. He thinks if we work on that and get a policy together, and ask Ms. Trautman bring it back at a later date so we can discuss it further. There are a lot of deserving people in the City of Alamogordo, and that is why the City hasn't done what Ms. Trautman is asking. The College did, the Chamber did and with the exception of the Willie Estrada building, the City has stayed away from that. Let us move forward on this and we will see what we can do.

Ms. Trautman thanked the Commission and asked if they would let the Library Board know when they are ready to move forward so they can be present. She then thanked the Commission for their time.

Mayor Griggs stated they would do that and thanked Ms. Trautman for coming today.

5. Presentation on status of various City projects by Mark Threadgill, Community Development Director and Brian Cesar, Public Works Director.

Mayor Griggs read the agenda report and said this is our monthly update on where all of our road projects and other projects stand. He then turned the floor over to Brian Cesar, Public Works Director.

Mr. Cesar began by saying he will be giving an update on the 2008 Gross Receipts Tax Street Maintenance Projects. We have been receiving a lot of calls asking us when the streets are going to be paved. We are very near completion of the actual ADA and pipeline work. The first portion will begin on May 3rd for Cutler pavement. The first eight streets, South Florida from Santa Cruz to Panorama, Indiana from 10th to 16th, New York from 12th to 16th, 12th from White Sands Boulevard to Florida, Maryland from 1st to 10th, Cornell from Indian Wells to 26th, College from 10th to Indian Wells and Bellamah from McKinley to Abbot. That is the order that we are looking at right now to have cutler go through. South Florida will be the first and Bellamah will be the last on this first round. General Hydronics and Mesa Verde are completing the ADA, drainage and pipeline work on the remaining streets. We don't think North Florida will be ready for repaving at this time, when Cutler arrives in May. The second round of paving will begin in September; Cutler will complete North Florida from Indian Wells to Fairgrounds, 15th from College to Scenic, Plainview from Arapahoe to Santa Cruz and 18th from Washington to Scenic.

Mayor Griggs asked if North Florida is ready, will Cutler be able to move on that or will they have to wait until the second round. Mr. Cesar stated if it is ready, the P.O. we have in the system right now, actually entails the entire project, so if North Florida is ready, we will have Cutler pave it as well in this first round. At this time, he doesn't think it will be ready.

Commissioner Rardin asked if there was any way we could make sure North Florida is ready to go. He thinks since it is a major street, it is a little more important than some of the others. He is not saying those streets are not important, but some of the less traveled roads could wait and concentrate on the high traffic roads.

Mr. Cesar said if you have traveled North Florida recently, General Hydronics does have the majority of the concrete crews, on North Florida, trying to complete the curb and gutter. If the aprons are in place, we can have cutler repave that section, but we have to have the curb and gutter in place to do that. The utility crew and the paving crew are going back and addressing some of those areas that have settled, but we do not want to have Cutler pave that street before it is ready because we do not want to have the street fail.

Commissioner Rentschler said on North Florida from Indian Wells to Fairgrounds, are we actually going beyond Fairgrounds. Mr. Cesar stated he listed it as the projects had been listed up to now. It is the same with South Florida, it is from Santa Cruz to Panorama; we are actually going further south of Panorama to the drainage structure that is close to Fire Station #5. We are also expanding on the other streets as well.

Commissioner Rance wanted clarification on North Florida project; are we just waiting on curb and gutter or are we waiting on more than that. Mr. Cesar said curb and gutter and General Hydronics does need to address the area from roughly 26th Street up the Fairgrounds Road, there are some areas that have settled. They went in during the winter that we had and they put down temporary pavement. They went in to try to save their connections. They do need to go back and actually repave those areas and possibly repack them.

Mr. Cesar then said, on the water update, right now in Alamogordo, we are using approximately 4 million gallons of water each day. He showed a chart of where we receive that water to date. Our wells, we have used less than 1 percent. We used these wells enough to keep the pipeline and the wells themselves lubricated. We are using about 9 ½ percent of the water from Bonito Lake. Alamo Diversion system is at about 26 percent. La Luz/Fresnal system about 64 percent. Our reservoirs are topped off. We have allowed Holloman Air Force Base to stay on the line past the date they would normally be required to come off. We are pulling in everything we can, we are bypassing our Alamo system, the La Luz Fresnal system, and we are pulling from Bonito Lake and have really outstanding water there for us.

Mayor Griggs asked if there was any chance that this year we can inject water into the aquifer. Mr. Cesar stated only if the State will permit us to do so. We do have the infrastructure built, but there will be some minor piping. The total cost of the project if approved will be in the neighborhood of \$30,000 to \$35,000 for the additional piping.

Mayor Griggs stated for the Commission to understand, that is a project that actually started many years ago, to obtain an agreement from the State Engineer to allow any of this to even occur. Mr. Cesar said he believes that went in 1998 or 1999. Mayor Griggs added since then, we haven't had excessive supplies to even utilize it. This may give us the opportunity to do it and recharge some of the aquifer and allow water to be stored there, instead of being stored locally.

Commissioner Ferguson said this is a little off topic, but we are putting in the pipeline for the Balloon Park, is that where some of the current water is being used. Mr. Cesar stated there is the reuse component, the effluent water, for the watering part. There will also be a 6 inch main line that will be

put in for the fire hydrants and also a number of stalls that will be available for water supply service in spots.

Commissioner Ferguson said we still haven't addressed the problem of not using all the effluent water. Our tank out there is full. Mr. Cesar asked if he was referring to the tank at the Waste Water Treatment Plant. Commissioner Ferguson said the one out there by the dump; it is filled with effluent water, isn't it.

Mr. Cesar stated actually we have a number of different sites. We have a 2 ½ million gallon reservoir that sits at the Waste Water Treatment Plant. What you are talking about is the LaVelle Booster Station. That water is coming from the Waste Water Treatment Plant to the LaVelle Booster Station; at that point it is pumped into town and used in the city parks, school building, school grounds, and areas like that.

Commissioner Ferguson asked if we are using all the effluent water the Waste Water Treatment Plant is producing at this time. Mr. Cesar stated we are not using everything we produce at the Waste Water Treatment Plant at this time. Since roughly December, we asked the school system, parks, etc, to use as much water as they possibly could, so we were not discharging out to Section 16, and they did water as much as they could, but the demand was just not that great.

Commissioner Ferguson said his concern is that we need to get everything set up for the Balloon Park. He thinks it is a great idea and when we water it, we will have enough water to store during the winter to use. Every winter is not going to be this wet or the summer. We are going to have a lot of extra water and we need somewhere to store it, instead of asking everyone to use as much as they can during the winter. We have talked about storing some of that water and now we are going to have the Balloon Park, we are going to have a hard time keeping all that water.

Mr. Cesar stated the preliminary engineering for the upgrade for the Waste Water Treatment Plant, which is actually addressed in that report; expanding the storage capacity out there. We have also received authority from the State to begin using the effluent pond that is between Griggs Field and our City Yard, so there is increased capacity.

Commissioner Rentschler asked what the Alamo Diversion is. Mr. Cesar stated it is south of town in Alamo Canyon. We have a filter plant at the mouth of that canyon. We have lines coming in from Gordon Canyon Caballero Canyon and Alamo Canyon, which feed that Alamo Plant. Almost 26 percent of Alamogordo's usage is coming from that plant. We are also bypassing and allowing a lot of the water to go down the Arroyo, but we just don't have the demand. There is no way to capture and store that, because our tanks and reservoirs are full.

Commissioner Rentschler asked if the Fresno was still flowing all the way from Riata Road out to the desert. Mr. Cesar confirmed this. Commissioner Rentschler then said that is outstanding. He can remember when that was a problem. He also asked Mr. Cesar if he said we are still allowing the Bonito water to flow down to Holloman.

Mr. Cesar explained that we are allowing Holloman to stay on the line. We are supposed to share that water 50/50. In previous years, we have not had that 50/50 split. If we continue this track, this will be the third year when we are actually sharing equally that water.

Commissioner Rentschler asked if Bonito was over the spill way. Mr. Cesar confirmed this and explained that yesterday it was about a foot above the spillway.

Mayor Griggs thanked Mr. Cesar for his presentation and turned the floor over to Mark Threadgill, Community Development Director.

Mr. Threadgill stated he is here to give a project update from Community Development. First the good news; some of you have received some glowing remarks about our new Tennis Complex, which

is substantially complete at this time. The ADA and concrete work should be finished by Friday, but could be a day early. That will for all intense and purpose, close out this project. Once we get all the invoices in, there may be a few thousand dollars left over to purchase additional bleacher seats for that complex. We are waiting for all the construction cost receipts to come in before we purchase those. It is a very nice facility, and he encourages everyone to go out and see it, even if you don't play tennis because it is brand new right now and always nice to look at. LaVelle Road Reconstruction, we have now gone all that way from Highway 70 to the northern most limits, which is right on the edge of Marietta Biscuits. It is coming along nicely; we have had a few soft problems on the north side of the railroad tracks. Those have been cut out, re-patched and re-compacted and we are conducting further tests on those. They were doing this work during the wettest part of this winter and some areas just didn't get as dry as they should have been before the asphalt was poured on. We will be keeping an eye on those areas. Other than that, there are no significant issues on that project. North Scenic Improvements, GRIP II, we have now switched lanes of traffic. Traffic is now running on the south side lanes of the new lanes, even though final lift isn't complete yet. They are now shifting all the work over to the north side lanes, the original lanes that were out there, for the completion of the work. They will do that and then they will do the final lift on both sides at the same time. If you are driving on North Scenic, just be aware that on the curb and gutter, there is a three inch difference, as pointed out by Commissioner Rentschler today, which may cause some issues there. It is just waiting on the final lift of asphalt. On our ARRA project, this is the ADA Compliance on 1st and 10th Streets. 1st Street from White Sands Boulevard to Florida is substantially complete and they are starting to work on 5th Street from Cuba to College. The Balloon Park we started to put in the irrigation system. The work is being completed by Parks and Public Works crews and we expect the substantial completion by July. That should give us enough time to establish the area for the Balloon Park. Fairgrounds Road, we pretty much have all the design work in place, the preliminary design, we are waiting to hear back from Gerald Champion for the final placement and alignment for their part of the road. They have gotten back with us and said that is not their top priority right now, it is the refinancing to do some medical buildings. As soon as they are finished with that, they will come back to Fairgrounds Road. Other projects; the PHA GFI outlet update has been completed. The PHA electrical upgrades, we are waiting on some revised schematics, apparently some of the units have some shared circuits. Two units using the same circuits, we were unaware of those. The Waste Water Treatment Plant, the draft PER is currently undergoing staff review. Phase 5 of the Flood Control Project, we are still waiting final legal descriptions from USACE before proceeding with ROW acquisition. Everyone's favorite topic these last few days, the 9th Street Bridge. The bridge is substantially completed, that's the good news. The Bad news is several section of the structure did not meet our specifications which were 4,000 PSI concrete at 28 days, and that is important to remember. We had a bottom deck that tested out at 3,310 PSI; CBC west wall that tested out at 3,060 PSI; and a bridge deck that tested out at 2,590 PSI and 2,630 PSI. These are 28 day tests. An analysis of the batch tickets indicated that delivered concrete may have had little cement in the mix. The overall mix may have been off. The paper received has also been sent off to NMDOT, they did a cursory analysis of it and came to the same conclusion, and there wasn't enough cement in the mix. This is something that doesn't happen very often. We met with NMDOT and the contractor; the contractor will perform additional pouring tests. That is literally where they bore through what has been poured there, be it the surface, deck or side walls. They will pull that out; it will go out and be tested. The City will prepare a scope of work for a structural engineer to come in and assess the structure as it sits right now. Based on the design and what the design was and what we got based on the specification on the test of materials. We will coordinate that with the contractor and they will be required to pay the structural engineer. A 56 day result, which is a longer curing period, which is outside the scope of our specifications, the first of them, will be coming available this week. We are going to compare that 56 day test with the 28 day test. Concrete does not cure linearly, it is more of an arch, and it flattens out. Typically, at about 28 to 36 days, it really flattens out and very slightly gets harder as you go along. We are not expecting significant differences in the 56th day, but we are going to look for the differences. There is a possibility that in the 3,310, the bottom deck could rise up another 300 to 500 PSI which might bring us closer to the specifications. It is highly unlikely that the bridge deck at 2,590 and 2,630 will get significantly closer to our 4,000 PSI. That is just not going to happen. After we capture all of this data, the additional pouring tests, structural engineer work on reviewing this project, having a structural engineer,

reviewing the 56 day test and comparing it with the 28 day test, at that point we will have enough data to bring back to the Commission and suggest a solution. At this time, he cannot say what that solution will be.

City Manager Roath asked if it is fair to say that at this point in time, we do not own that bridge. Mr. Threadgill stated that is not our bridge at this time. We have already put the contractor on notice that their pay scale, as far as the contract goes, at this time, this project is worth zero. They are aware of it, and trust him, the contractor is admirable. They did most of the work on the South Channel Project. They have worked in this community for quite a number of years and this is something they have not seen very often. The engineer who has served 15 years in Community Development has not seen anything like this either. It is a rarity to NMDOT as well. This is just one of those situations that we are in that is not common enough to know what to do. That is why we are taking all these steps to determine what a proper solution should be.

Commissioner Rance asked what the worse case scenario would be. Mr. Threadgill stated the worse case scenario would be the bridge comes out and they rebuild it.

Commissioner Ledford asked when that concrete was put together at the plant, how complicated is that to get the right PSI to measure that solution. Mr. Threadgill stated he is not a batch operator, he could not tell him what the best solution is. He understands it is primarily automated, they need this many pounds of aggregate, this many pounds of sands, this much fly ash and this much cement, and water. But that is fairly automated, but it is not without human intervention. There is a formula that is given.

Commissioner Ledford asked what is the contractor saying about this. Are they saying they did do the proper mix? Mr. Threadgill stated the contractor is saying they ordered the proper mix. Commissioner Ledford said the specs are there. Mr. Threadgill agreed and said this is not a magic formula made up specifically for this bridge. This is a common everyday mix. There were actually two different batches; we had what is called A, which is 3,000 PSI and a double A, which is 4,000 PSI.

Commissioner Ledford said so you really can't measure the PSI at the time of the mixture. Mr. Threadgill explained that the mixture is a tried and true formula that they came up with. It has been tested over many years and said if you are mixing it this way, this should be the result.

Commissioner Ledford said it is probably safe to say the mixture is not done according to this formula. Mr. Threadgill stated all the indications are the mix was heavy on fly ash and short on cement. Commissioner Ledford said we have had issues with contractors with their quality of work, but this is more of a product issue than it is a contract issue.

Mr. Threadgill agreed and said for the sake of putting all the information out there; they take a sample at the time of the pour. When the truck pulls up and they ready the chute, that is when the sample is taken. There is a seven day, 28 day, and 56 day test. To get a close approximation, we reduce the tabulations based on the seven day cure. They all look within standards. At the seven day break, they all looked pretty good. It was at the 28 day break when we got this wild flocculation.

Commissioner Ledford asked if this was a \$350,000 job. Mr. Threadgill stated it was about a \$200,000 job. \$150,000 in ARRA funding and about \$50,000 grants. Commissioner Ledford said a \$200,000 job and when we are talking about the worse case scenario replacing it; what percentage of that would be ours. Mr. Threadgill stated this would not be any additional cost to the City; if it came to the worse case scenario.

Commissioner Ledford asked what percent of the job is that. Mr. Threadgill stated it would be the total removal and reinstallations. That would be on the contractor, his insurance, and/or his supplier. We had a set of specs, we didn't make up the specs out of thin air; they are tried and true specs from the NMDOT. These plans were reviewed internally by a professional engineer, they were

viewed by NMDOT by their professional engineer, they were reviewed by the Federal Highway Administration because this is an ARRA project, and there were no problems with the specifications. The contractor admits that, we admit that but the test, the product did not test out.

Commissioner Ledford said it is amazing that a project like this has taken so long. We could have picked another project to do. Mr. Threadgill stated but it looks pretty.

Commissioner Rentschler asked how many yards of concrete this bridge was composed of. How many truckloads of cement showed up at the location, were there samples taken of each truckload, and are they all uniformly failing or are some good and others bad. Mr. Threadgill stated there are some that are good, and some that are bad; the minority has tested bad. We just have succession after succession after succession, there was some flocculation. Some days we got a mix that met the 3,000 PSI; it depended on what they were for. The next day we would get a double A mix for the bridge structure. Not all of it was a monolithic pour at one time; they did the floor first, the vertical walls, the top, two floors per deck, four wing wall, a slip way, sidewalks, curb and gutters. There were different days and different specs for each day.

Commissioner Rentschler asked what percentages of the samples that have been tested are failing. Mr. Threadgill said off the top of his head, it is about 20 percent. Commissioner Rentschler asked if most of them are in the double A or the A. Mr. Threadgill stated the A came out excellent. Commissioner Rentschler said so the double A didn't. That is the 4,000 PSI we are talking about which is the deck and the primary loader. He then asked who supplied the cement. Mr. Threadgill stated the supplier was CEMEX.

Commissioner Rentschler asked if there is any chance we will accept this bridge if it is acceptable. He doesn't know what the consequences would be, could we open it at a reduced weight load. What would the consequence be if we say that we were building a 50 year bridge, but this is really a 25 year bridge?

Mr. Threadgill stated the best case scenario would be after the pouring is done, it showed that the break strength of the concrete has risen and gotten closer to our specifications. That a structural engineer comes in and says we over designed this bridge enough that the 3,000 or 3,500 PSI should last this long for this load. Basically, this is an 80,000 load bridge. And that we would have to do no significant work on the structure. It could be the structural engineer comes back and says if you place additional vertical walls in the middle of the spans, that we then have a structure that is possible. He could suggest horizontal supports underneath the decking from wall to wall. He could come back and suggest that we have something that is much less than we bargained for, take it out and put a new one back in. We just don't know yet. The key is going to be the structural engineer and getting those pours out of the bridge.

Commissioner Rentschler asked how big the pours they actually take out of the bridge are. Mr. Threadgill stated he believes they are 2 inch pours. He asked then not to quote him on that because in their discussion today, a lot of numbers went through. Commissioner Rentschler asked if that was a clear through cut. Mr. Threadgill confirmed this. He then asked what that does to the structural integrity down the line. Mr. Threadgill explained that with the epoxy and sealants that we have today, the engineers say it will have no significant impact on the structure whatsoever.

Commissioner Rardin asked if there was any way to tell the days that they poured the bottom deck or the bridge deck, if they ordered double A mix or single A mix. Will their batch tickets indicate that? Mr. Threadgill stated the batch tickets tell us what they ordered.

Mayor Griggs asked if there were any additional questions of Mr. Threadgill. Hearing no additional questions, he thanked Mr. Threadgill for this presentation.

Recessed at 9:30 p.m.

A brief recess was taken to connect with Mayor Pro-Tem Cole by Teleconference. The phone was tested, Mayor Pro-Tem Cole could hear all members of the Commission and all members of the Commission could hear Mayor Pro-Tem Cole.

Reconvened at 9:42 p.m.

Mayor Griggs called the meeting back to order and stated Mayor Pro-Tem Cole has joined the meeting via telephone.

Roll call was taken to confirm all members were present and could hear each other. 7-0-0

PUBLIC HEARINGS:

6. Hold Public Hearing, consider and act upon, the final publication of Ordinance No. 1370 authorizing the execution and delivery of a water project fund loan/grant agreement by and between New Mexico Water Trust Board (WTB) and the City of Alamogordo of \$5,635,000, being a loan in the amount of \$1,127,000 and a grant in the amount of \$4,508,000.

Recommendation: Approve Ordinance No. 1370 for final publication authorizing the execution and delivery of a water project fund loan/grant agreement by and between New Mexico Water Trust Board (WTB) and the City of Alamogordo of \$5,635,000, being a loan in the amount of \$1,127,000 and a grant in the amount of \$4,508,000. [Roll call vote required 3/4 majority]

Mayor Griggs read the agenda report and turned the floor over to LeeAnn Nichols, Finance Director.

Mrs. Nichols said she is just going to cap off on the highlights on the loan and the grant. This is a dual agreement that includes a loan in the amount of \$1,127,000 that is pledged by the water and sewer revenues and a grant from the Water Trust Board in the amount of \$4,508,000. The purpose of the loan is to finance the cost of approximately 15 miles of pipeline for a potable water transmission system. The loan is at a zero percent interest rate with a .25 percent administrative fee. The term of the loan is 20 years and the annual debt is averaged at \$57,845 with the first payment being due on December 1st. It is important to know that the loan amount represents the City's share and is required to be borrowed from the New Mexico Finance Authority, for the grant funds. The loan fund portion will be used first, we get reimbursed from this. We don't get the money right up front. We will be reimbursed from our share, the \$1,127,000 first, and then they will start pulling from the grant side. The project must be completed by May 20th of 2013.

Mayor Griggs asked if anyone has any questions of Ms. Nichols. He said this is a project that we approved for first publication and tonight would be to approve it for final publication and move forward.

Commissioner Rance asked if the pay back was a one lump sum or is it that instrumentally over a period of a year. Mrs. Nichols asked if he was talking about the reimbursement for the project. Commissioner Rance confirmed this. She went on to say she believes we can do reimbursements as we progress through the project, she believes on a monthly or quarterly basis. We will pay for it up front and then request reimbursement as we progress through it.

Commissioner Ferguson stated he is not going to go through everything he said at the last meeting. He requests the Clerk insert a record of what he said at that meeting. Mayor Griggs said that suits him and asked the Clerk to do as Commissioner Ferguson has requested.

The following were the questions and answers from Commissioner Ferguson from the March 23, 2010 Regular City Commission Meeting: *“Commissioner Ferguson asked Mrs. Nichols, if we are not going to start this right away; our payments are going to be \$115,000 per year. It says \$57,845 twice a year. Mrs. Nichols said \$56,869 is the highest payment. If you look at the Debt Service Schedule, down the next to the last column, where it says \$57,392.76; if you look down that*

column, those are your annual payments. The administration fee would be due in December and June of each year and the Principal is only due in June. Commissioner Ferguson said we are going to pay \$100,000 per year. Mrs. Nichols explained that we are going to pay \$58,000 per year. Commissioner Ferguson said he thought it indicated on the schedule that we would have semi-annual payments of \$57,000. Mrs. Nichols apologized and said it is her mistake; it is the way she wrote the agenda report. Annual payments are averaged at \$57,845 payable semi-annually. Commissioner Ferguson said even at \$50,000 a year, are we going to have to raise water rates to pay that because it is for 20 years. Where is the money going to come from? Mrs. Nichols said they did do a rate analysis two years ago and we put a rate increase in for February 1, 2009 and another one in for February 1, 2010. The rate structure at that point with those rate increases was supposed to cover the increased operating costs and a portion of the Waste Water Treatment Plant. Unless we cut expenditures or come in lower than our budget, then yes, we may have to raise the rates to accommodate this payment. Commissioner Ferguson understood that we raised the rates to cover the expenditures and to get money for the Waste Water Treatment Plant, but this is something that the tax payers are going to have to pay. It is the way it is and it will be that way for at least the next 20 years. He doesn't want to be the one who will have to tell his constituents that they will have another water rate increase coming. His other question is this grant from the Water Trust Board, did we also apply for a grant at the same time for our desalination plant? Mrs. Nichols stated she is not aware of that, she was not part of the application process on this project. Mr. Threadgill said to the best of his knowledge, no we have not yet. Commissioner Ferguson asked if we have a pipeline but we do not have a desalination plant, what we are going to do with the water. Mr. Threadgill said the reverse of that is if we built a desalination plant and didn't have a pipeline to get the water there; people would be asking that question as well. It is a chicken and egg issue right now, we tried to accomplish as much as we could with the available funds. Commissioner Ferguson said we put in a permit for six deep wells before the legislature that the State Engineer said had to be below 2,500 feet and also the State Engineer said it would not be against us if we did need water on an emergency basis to get up to 580 feet. There is only bad water out there and we would need the desalination plant and it only seems logical to him that we need the desalination plant first. Mr. Threadgill explained that you cannot take 580 acre feet of water to a desal plant. Commissioner Ferguson said we have deep well permits. He doesn't think this will ever happen but to him it looks like we are putting the cart before the horse. We should have the desalination plant ready and then get the water. He doesn't understand why we didn't apply for a grant for the desalination plant at the same time or even before we applied for a water line that is going to go no where. Mr. Threadgill added or a desalination plant that has no water to process. Commissioner Ferguson said with a desalination plant we have options. There are the deep wells and there are people out there that have bad water and we could process for them if the State Engineer would allow us. Mayor Griggs explained to Commissioner Ferguson that currently we have no water other than the Snake Tank water. We may have some deep well permits and we may have the State Engineer telling us he doesn't have any issue with 500 acre feet in the event of an emergency, but the fact of the matter is we have approval for neither. This ordinance is for first publication, if there are questions and issues that need to be discussed, they can quite possibly be discussed between now and the second reading of this ordinance. He thinks there are some points with which should be built first. The fact is when this was originally initiated several years back; this is what this one was designated for. We still have the time and opportunity to get federal grants and other monies for the plant and any additional pipeline and those are all things that we need to be working on if we are not currently doing so. He thinks where we need to go on this is we need to pass this for first publication and then we can address those things if we choose to.

Commissioner Ferguson said since they have been working on it and have applied for a grant for it, we will fund this first. He disagrees because they should have both been done at the same time and he thinks the desalination plant should have been completed first. Mayor Griggs stated that it would be handy if we had a grant for that, but we have the grant for the pipeline. It is \$4 million of grant and \$1 million of loan and zero percent interest and are pretty good terms and really need to look at it hard. He thinks we should pass it for first publication and we can debate more during the second reading if we need to. City Manager Roath spoke on behalf of administration, if any Commissioners have any questions between now and the second reading of this ordinance, we would be happy to address those questions for you." [End of March 23rd comments].

Mayor Griggs asked if there were any other questions or comments. Hearing no additional comments, he asked for a motion on this item.

Commissioner Ledford moved to approve Ordinance No. 1370 for final publication authorizing the execution and delivery of a water project fund loan/grant agreement by and between New Mexico Water Trust Board (WTB) and the City of Alamogordo of \$5,635,000, being a loan in the amount of \$1,127,000 and a grant in the amount of \$4,508,000. Commissioner Rardin seconded the motion.

Mayor Griggs asked if there were any members of the public who would like to discuss this.

Mr. Fred Tyler, Trustee for the Village of Tularosa wanted to have assurances from the Commission that at this pipeline that is being constructed to move the water from the Snake Tank Wells down along side the Village of Tularosa has an outlet to allow us to use the emergency water that was agreed to, if and when we ever need it. Also, that the outlet be constructed prior to the need so it is there if we ever have the need to tap into it if we ever have an emergency request, so it does not take us two weeks to get the outlet installed and the Village dry up. He would like that assurance from the Commission that it will be part of the project. Mayor Griggs stated this project will not go as far as Tularosa. This project goes to La Luz Gate Road and to the south. We will not be going to Tularosa at this point; there is not enough funding to go that far.

Trustee Tyler asked the water coming from the Snake tank Wells, will that be pumped down into Bonito Canyon. Mayor Griggs stated we will discuss some of those issues when we are a little further along; whether to utilize the Bonito Pipeline or to build another pipeline for this particular project. Some of that will depend on the sources of funding and the ability to use the Bonito Pipeline or not. Those items haven't been discussed or addressed to know which way we will go. We will certainly honor our obligations to Tularosa. Trustee Tyler said he just wants to have that assurance. He told his Mayor that he would be here tonight, since this was on the agenda. He did not know the scope of the project, but he wanted to make sure that if Tulle Creek dries up or Mescalero dumps their sewage plant into it, and we have no water and have to draw from that pipeline, it would take a long time to get the line cut, a hatch put in it and everything else. On an emergency basis, we just want assurances the water will be there.

Mayor Griggs stated Tularosa can be assured that we will honor our agreement with Tularosa. He then asked if there were any additional comments or questions. Hearing none, he stated we have a motion and second on the floor, and asked the clerk to perform a roll call vote.

Roll call vote was taken. Motion carried with a vote of 6-1-0. Commissioner Ferguson voted nay.

Mayor Griggs asked the City Manager and Finance Director to get going on this project.

Mayor Pro-Tem Cole left the meeting at 9:47 p.m.

7. Hold, Public Hearing, consider and act upon, approval to grant Restaurant Liquor License (Beer & Wine On-premise Consumption Only) Application No. A-625018, to Right Out Back Steak House, located at 606 B. Hwy 70 West, Alamogordo, NM.

Recommendation: Approve Restaurant Liquor License (Beer & Wine On-premise Consumption Only) Application No. A-625018, to Right Out Back Steak House.

Mayor Griggs read the agenda report and asked if there were any comments. Hearing none, he asked for a motion on this item.

Commissioner Ferguson moved to approve the license. Commissioner Rardin seconded the motion. Motion carried with a vote of 6-0-0.

CALL OF THE CONSENT CALENDAR: [Roll Call Vote Required – None]

Items on the Consent Calendar are considered routine and should not require further discussion. All items marked "CC" will be approved by a single motion unless removed at the request of a Commissioner, City staff, or a member of the public. Items removed from the Consent Calendar will be heard in the numbered sequence.

CALL OF THE CONSENT CALENDAR: Items #8, 9, 10, 11, 12, & 13.

Item # 14 was removed from the consent calendar.

CC 8. Minutes of March 23, 2010 Regular Meeting.

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Recommendation: Approve the minutes.

CC 9. Consider, and act upon, a bid award of [IFB No. 2010-04] to All Clean Janitorial, Janitorial Services at the Department of Public Safety.

Recommendation: Award IFB No. 2010-04 to All Clean Janitorial, for an estimated total of \$21,672.00 including NMGRT.

CC 10. Consider and act upon, the award of RFP No. 2009-002 to the overall highest rated proposal by a committee of five (5) in the estimated amount of \$46,703.60, related to personal computer replacement program for the City of Alamogordo.

Recommendation: Award RFP No. 2009-002 to CDW Government LLC in the estimated amount of \$46,703.00.

CC 11. Consider, and act upon, a bid award of [IFB No. 2010-09] for Dry-Barrel Fire Hydrants to Alamogordo Winnelson, utilizing the 5% local preference in the amount of \$32,693.55.

Recommendation: Award IFB No. 2010-09, to Alamogordo Winnelson, of Alamogordo, NM for a total of \$32,693.55

CC 12. Consider, and act upon, the award of IFB No. 2010-06, to Big Belly Solar, in amount not to exceed \$30,848.00, related to Solar Powered Trash Compactors.

Recommendation: Award IFB No. 2010-06 to Bib Belly Solar in the amount of \$30,848.00.

CC 13. Consider, and act upon, a bid award [IFB No. 2010-08] to Abell Turf & Tractor, in the amount of \$51,850, for the purchase of Various Refurbished Landscape Equipment for the use at the Golf Course.

Recommendation: Award IFB No. 2010-08 to Abell Turf & Tractor, for the four (4) items of refurbished landscape equipment, in the amount of \$51,850 total.

Commissioner Ledford moved to approve items # 8, 9, 10, 11, 12, & 13 of the consent calendar. Commissioner Rardin seconded the motion. Motion carried with a vote of 6-0-0.

OTHER BUSINESS:

14. Consider, and act upon, a bid award of [IFB No. 2010-03 Concrete], to Cemex to be utilized by various departments.

Recommendation: Award IFB No. 2010-03 to CEMEX for an estimated amount of \$37,125.00.

Item was withdrawn from the Agenda by City Manager Roath.

15. Consider, and act upon, the final publication of Ordinance No. 1371 to amend the zoning map to change the zoning of 920 East 9th Street to C-3, Business District, from R-3, Two-Family Dwelling District, requested by Construction Surveying Services (CSS) with permission of property owner Lawrence B Makinson. [Case # Z-2010-0691(A)].

Recommendation: Approve Ordinance No. 1371 for final publication to amend the zoning map to change the zoning of 920 East 9th Street to C-3. [Roll call vote required]

Mayor Griggs read the agenda report and turned the floor over to Mark Threadgill, Community Development Director.

Mr. Threadgill stated this issue first came before you on March 23, 2010 for introduction and first publication. It is for a block on 9th Street. The rezoning does fit into the overall 2000 Comprehensive Plan, which creates the land use in that area. We distributed 26 receipts indicating delivery and three returned undeliverable notices to the property owners in the general area, and we have received no negative comments on this rezoning.

Mayor Griggs thanked Mr. Threadgill and asked if there were any questions. Hearing none, he asked for a motion on this item.

Commissioner Rardin moved to approve Ordinance No. 1371 for final publication. Commissioner Ferguson seconded the motion. Motion carried with a vote of 6-0-0.

16. Consider, and act upon, Palo Duro 2 Subdivision final plat for Tool Box, LLC (Douglas D. Nelson) [Case # S-2010-1057(A), Located at the corner of Palo Duro and Cereza out of South Florida Avenue]

Recommendation: Approve the final plat and the 1.315 acres of Right of Way for Dr. Martin Luther King Drive in lieu of the 5% Public Land Fee, Subdivider's Contract and the Waiver of Protest Agreement.

Item was withdrawn from the agenda by City Manager Roath.

17. Consider, and act upon, a proposed Reorganization Plan for Departments and Divisions within the City.

Recommendation: Motion to approve the City Manager's Reorganization Plan.

Mayor Griggs read the agenda report and turned the floor over to City Manager Roath.

City Manager Roath began by saying he wanted to thank the Commission for the opportunity to address this particular issue. He has been here approximately six months and he has had the opportunity to review the departments and divisions and to visit individually as well as collectively with appropriate staff. What he has before them is a new plan for reorganizing the City's departments and divisions. As you can see from the handout with the agenda, there is the existing organizational structure, which basically would be characterized as a flat organizational structure in the sense that all the directors report directly to the City Manager; with the exception that the Community Services Director is also the Acting City Manager in that capacity. What he is proposing this evening is to change the organizational structure to create a second Assistant City Manager, to utilize the existing Assistant City Manager and expand his duties and responsibilities by providing additional services under his area. His area would be more in relations to the services component of the City's operations. For example, Mr. McNeile is currently over the Community Services. He has the

cemetery, civic center, senior center, recreation center, library, parks, zoo and golf course. He would also like to move the recreational component of Bonito Lake under the responsibility of Community Services. In addition, what he is proposing this evening is that Public Housing Authority, and we are in the process of searching for a new Public Housing Manager, report to this Assistant City Manager as well. He is also proposing that the Airport be shifted over and be under the authority of Mr. McNeile. The planning portion and code enforcement portion that is under the Community Development Department would also be shifted under Mr. McNeile. Code Enforcement is currently under DPS and he is recommending that be moved over and put under Community Development, as it was before, but under Mr. McNeile. On the other side of the coin is creating a new Assistant City Manager position and basically moving all of the City's operations related to the infrastructure side, streets, water, sewer, etc, all under a new umbrella and that would be headed by Mr. Threadgill. In this perspective, we would have the Public Works Department split out some of the proposed duties of those departments. The current City Engineer is retiring towards the end of the year and he proposed we replace that individual with a Public Works Director/City Engineer. We would also create a new Utilities Department, where Mr. Cesar would be moved over and be the director of that department. That department would be responsible for utility maintenance, water and wastewater. The public works portion would be engineering, drainage, facility maintenance, fleet maintenance, solid waste and our streets division. Solid waste would consist of the landfill, our collections system which is currently being contracted out. In the new Public Works Department, in terms of redesigning that, we would move engineering from community development over as well as the public works inspectors and GIS and other related AUTOCAD services. Fleet Maintenance, which is currently in Community Services, would be moved under Public Works as well. What this does is puts all of our construction projects, minus what we will be doing in Community Services, all under one area under the responsibility of Mr. Threadgill. This will alleviate an issue that we currently have, as you noticed at the beginning of the meeting when we had presentations, Community Development is doing some street projects and Public Works is doing others. This would allow all of that to be under one umbrella and be coordinated in a stronger effort and he thinks it would bring more attention of that area to the city administration as well as to the Commission. The Finance Department and DPS would continue to report directly to him; obviously, those are pivotal departments and should have the opportunity to report directly to him. The two Assistant City Managers would report directly to him as well. Moving up the organizational structure, you will notice that Human Resources would be directly under the City Manager, which is usually the case because the City Manager is the hiring and firing authority and that would give that access to him. On the other side, there is Administrative Office, the City Attorney, and City Clerk. Ultimately, if the Commission so chose to hire and could fund the hiring of a Public Information Officer specifically for the City, that would fall under that category as well. He thinks the organizational structure brings more accountability, just because now we will have two Assistant City Managers, over specific broad areas, which to report to him, as well as the direct reporting of the Finance and DPS departments and the coordination of Administration and Human Resources. He thinks the benefit that comes out of this is that we have two strong Assistant City Managers that will be able to cover these areas, and he feels very comfortable with that; we also have strong Finance and DPS Directors that will report directly to him. From a management perspective, some years ago he taught a management course at a community college as well as business law and one of the management principals out there is span and control. This will have fewer people reporting directly to him in terms of Assistant City Managers and Department heads, but he thinks it will provide better coverage and allow him to spend more time on these four individuals specifically on their areas. He wanted to point out, assuming the City Commission gives him the authority to move forward on this, that our next step will be working with the City Attorney to make any necessary changes with the City Code. There are a number of sections of the Code that has created our individual departments and he will be sitting down with the attorney and help change some of the functions to reflect the new organizational structure. He will also be working to take appropriate action to abolish the Community Development position, since that will be replaced with the Assistant City Manager position and to redefine the City Engineer positions to make it the Public Works Director/Engineer. Finally, he will be working with the two Assistant City Managers and their appropriate staff to develop an implementation plan. His goal is to move forward on this in a timely fashion. Some of it will depend on financing and some of it will depend on the recruitment of the Public Works Director/Engineer. We move expeditiously and appropriately to make these changes

and move the organization in this direction. One final comment, a lot has been taken into consideration of our current situation, where we just had a previous item on the agenda where we had a \$5 ½ million in utility improvements that we will be making. There is an emphasis here to bring our utilities to a higher standard within the organization because we have some major improvement that are going to be taking place in this community over the next five years, especially in the utilities area. He strongly believes that this organizational structure will address that need as well as providing quality public services and the other side that will be managed by Mr. McNeile. He thinks this is the right reorganization for the right time. He understands that no one likes change. There is an old saying that "The only one who likes change is a wet baby." He believes as we go forward and work with appropriate staff and employees that this will be the direction that will be taken.

Commissioner Ledford stated he likes the change, and he wants to tell everyone why so he is sure he gets it. One of the things we tried to do years ago is to do an internal audit. He feels like we have some good people working for the City and they work hard. This is not just about people working hard, it is about efficiency, evaluations and making sure we are spending the dollars appropriately and efficiently. He sees this, and he thinks it will do that a little better. What he would like to have considered in this process is to still have some studies done in different areas. Finance does evaluate several projects throughout the year, but he sees the internal audit position is not here. That is the first issue he wants to address. The second issue is that in this new structure, was this evaluated from the stand point of cutting costs in the budget process. That is something that we are going to be looking at next month, was that also part of the thinking.

City Manager Roath said he would answer the first question and then the second. The way he is going to approach this is obviously because the existing Assistant City Manager and the new Assistant City Manager, when he takes that position, will have the opportunity to look strongly at the areas they will be managing and to come back to him with recommendations as we move forward on the implementation process. There will be a top down, and in some respects, latterly, a review of the different functions in their areas. He has already spoken to both of the Assistant City Managers about the idea of looking at their new operations as well as any existing operations so they can become more familiar with what they are going to be managing and to assess what the staffing needs are going to be, for all divisions within their areas. He would expect that to happen early in this process, so there will be that review. That will not be a one time shot; we will be doing that periodically. We obviously want to provide the appropriate level of staffing to do the service and at the same time look at ways to cut costs.

Commissioner Ledford said he would hope that it will be formalized and not just theoretically. The reason why he backed off on the internal function is because we have a new City Manager. What better way to evaluate our system than with a new City Manager because he has nothing to lose or gain. There may be some resistance, but he is glad that you are doing what they have asked you to do and that is creating a better City structure.

City Manager Roath said in regards to the question about savings, we will be looking at this and any cost savings that we find in this process. The Finance Department still has their internal auditor and their staffing there and they continue to look at ways to improve the operations. They just looked at the fuel situation; they have recently looked at the landfill and other operations. As specific areas are identified for review, they will be doing that. We still have a portion of that function that was discussed some time ago.

Commissioner Ledford stated you have been doing an excellent job of communicating with the Commission, and he would like to have you continue with that communication. Maybe not so much the details, but what we will be looking at. Back on the budget process, he thinks in terms of jobs and cost savings, is that something that has been evaluated or is that something that is being evaluated right now as far as the new structure.

City Manager Roath said we are looking at some things and we will continue to do that. For example, and he does not want to get into real specifics, one of the divisions that is mentioned in here, we may

be moving one or more people out of that division as we hire someone else to run it. That will allow for the streamlining of that division to make it better and if we have vacancies in other departments, allow them to be retrained and retooled. At this point he is hesitant to say it is wide spread because he wants to have the two Assistant City Managers look at the areas they will be managing more specifically.

Commissioner Ledford asked why they moved Code Enforcement over to Community Services. He spoke with the City Manager about his concern of this. He thought it was a function of Public Safety. It seemed to make sense when it was under DPS because there is an enforcement issue. He is curious as to what the thinking is for taking Code Enforcement out of DPS.

City Manager Roath stated it goes hand in hand. In his experience, Code Enforcement has not been a real mission of law enforcement and it gives the connotation that when they show up that it is a law enforcement action. Sometimes that has a detrimental affect in terms of compliance. The other issue is that by shifting it over under Community Development, it allows DPS to concentrate on its true mission which is police and fire. DPS has a big mission in this community and this maybe now that we are pulling some of these other areas together, it will work well. He also has tremendous faith in Mr. McNeile to pull all of this together to ensure it happens right. There will not be a drop in service.

Commissioner Ledford wanted to ensure we were not cutting back on DPS because we are moving this function over. City Manager Roath confirmed this.

Commissioner Rance wanted to thank the City Manager for taking the time to assess the needs of the community. Looking at the structure, he thinks it creates the ability to establish greater leadership to the City. The City Manager commented that no one likes change and change is not easy, he does not perceive a lot of resistance in this, and he would like to see us move forward and adapt as quickly as possible. He would like the City Manager's assurance that we will move as quickly as possible to move forward with this on behalf of the City.

City Manager Roath stated he has his assurance. We had a staff meeting today and he discussed the issue of sitting down with the two Assistant City Manager's, at our earliest convenience, to get this process going. We will do our best to move this along.

Mayor Griggs said one of his issues, when we hired City Manager Roath was to be sure we had the chance to go through the organization and see where we were strong, where we were not strong and how best to move Alamogordo ahead. His hope is that this does that and if it fails in some areas, he hopes it is fluid enough to be adjusted. He commends him for getting after that and seeing that it is getting done. He then asked if there was a motion on this item.

Commissioner Ferguson moved to approve the City Manager's Reorganization Plan. Commissioner Rance seconded the motion. Motion carried with a vote of 6-0-0.

18. Consider, and act upon, Resolution No. 2010-11 approving the intent to apply for a grant from the U.S. Bureau of Reclamation, waterSMART Program, for assistance with the Firefly Water Meter Replacement Program.

Recommendation: Approve Resolution No. 2010-11 approving the intent to apply for a grant from the U.S. Bureau of Reclamation - waterSMART Program, for assistance with the Firefly Water Meter Replacement Program. [Roll call vote required]

Mayor Griggs read the agenda report and turned the floor over to Mrs. Nichols.

Mrs. Nichols said we thought this was a great opportunity to maybe get our firefly project done because the rate that we were moving would have taken a few years. The grant from the U.S. Bureau of Reclamation entitled waterSMART Program, our firefly program fits right in that. SMART

stands for Sustain and Manage Americas Resources for Tomorrow and it provides an opportunity for the City to apply for grants funding, up to \$1 million with a match required of 50 percent. If approved, the grant will be received next fiscal year. Staff is recommending that the City apply for this grant to complete the electronic Firefly Water Meter project. The City has approximately 12,509 meters, of which 27 percent or 3,336 meters have been already been installed, with 73 percent or 9,173 meters remaining. The current year's budget includes \$687,000, which was estimated to complete approximately 2,500. In the preliminary budget for Fiscal Year 2011, we are proposing another \$610,000. Combined, this would provide nearly \$1.3 million, which would be sufficient to provide the 50 percent match. We basically need anywhere from \$2.3 to \$2.5 million to complete the project. If the grant is approved, we would be able to complete the Firefly Water Meter project next year. The main objective of the waterSMART grant is to provide entities, like ourselves, with the authority to leverage our money and resources by cost sharing on projects that save water and improve energy efficiency. Our electric water meter project is an approved project for this grant.

Mayor Griggs stated we have several new Commissioners that may not be familiar with what a firefly is and does. He asked Mrs. Nichols to explain that to them. Mrs. Nichols explained the firefly project is a device that is put on the meters. The original equipment that we were looking at getting, they can actually read the meter by just driving by it. They do have new technology that we are looking at; it is actually a little cheaper. If we go with that, and we can actually do it with this money, we can actually push a button from inside City Hall and read all the meters in the City. It is an electronic meter reading device. It is also very beneficial because we can detect leaks earlier, we are able to show the customers their usage and it has a lot of capabilities that will be useful to everyone.

Mayor Griggs said as we talk about rates down the road, the fact that it would allow us to identify leaks quickly, it could play a part in our rate structure.

Commissioner Rentschler asked Mrs. Nichols to explain how this system will pay for itself; how will it save the City money. Mrs. Nichols explained it will save the City money because we will need less meter readers. Right now we are down to two readers; we did have three last year. We will have to have a meter reader that is responsible for the system itself, the software. It also will save money for the City because it provides more accurate readings from the customers. It is more efficient and that efficiency combined with not needing as much staff, will provide more savings.

Commissioner Rentschler asked what type of maintenance is required on this system, do they have to be tested, what is involved. City Manager Roath stated he believes they are capable of functioning for approximately 15 to 20 years. Getting back to the question Commissioner Rentschler asked earlier, he was a manager of a city in the Dallas area and we replaced all of the 11,000 meters with this type of system, it was about \$1.7 million. We were able to pay for the system and improvements within 3 ½ years, just by improved reading of our water that we were providing to our residents. The other feature that Mrs. Nichols touched on, and the Mayor eluded to, is the feature that we would get a report daily and if someone had a major leak or some type of heavy use of water that was not ordinary to their system, the system could actually call that resident and leave a message on their phone indicating this. By doing this, the residents are not waiting 30 days to find out that they have a large bill for a leak they may not have even been aware of. The residents loved it and we had a better control of our utility usage on a daily basis. It was a real benefit to the community and it standardized all our meters. We went so far as to utilizing our meter readers as fixed assets control on their spare time. We cross trained those employees so they could do other things they were normally doing just by reading meters. We would use them somewhere else because the system allowed that to happen. It is a real benefit to the community and a revenue source as well.

Commissioner Rance asked Mrs. Nichols if we were going to replace all the meters with firefly meters by fiscal year 2011. Mrs. Nichols stated if we get this grant. Commissioner Rance then asked if the 50 percent matching funds are already going to be available as budgeted. Mrs. Nichols stated we currently have \$687,000 in the current year's budget and we are proposing \$610,000 for next year, and we hope the Commission will approve that.

Commissioner Ferguson said to him it looks like it is going to save quite a bit on people coming in here wanting abatements on their water due to a broken water line. In those cases, we give people credit and the City loses funds and water. This will cut out a lot of that. That will save us water, not just money. He thinks it is a good idea.

Mayor Griggs asked Mrs. Nichols how far we are on the program right now. Mrs. Nichols stated right now we only have 3,336 meters, 27 percent. Mayor Griggs then asked if we have been in the process for two or three years. Mrs. Nichols confirmed this and said we did put a pause on it for this year. The reason we did that is because the City Manager had asked us to see what we could do about maybe doing a purchase order or something where we could get the whole thing done quicker. We also looked at the updated technology that they have now, that wasn't available when we started. We have been doing a lot of presentations and demos and we will have to go out for bid. When this grant came up, we decided we would really like to tack onto this; otherwise, it might take us another four or five years to complete.

Commissioner Ledford said if it is \$2 million and it is supposed to last 20 years, getting rid of one meter reader, it is going to take 20 years to pay for it because you are only cutting one job. As far as the better way to read the meters are you going to be reading the meters everyday or is there something in place that is going to detect a leak. Mrs. Nichols stated it is her understanding that the system has something in place that detects a leak. No, we will not be reading the meters every day, but we are going to look at the system everyday because it gives us information on how much water someone is using.

City Manager Roath explained what the system will allow us to do is to better identify someone's normal usage. Their normal usage may be 100 gallons a day, and if they are 500 gallons, the system will detect that and give us an indication either by a report or readout. It will give us an indication that an individual meter is tracking much more water than it normally would. There may be situations such as someone filling a pool, and that could be the reason, but the system will detect that higher use and allow us to notify them. He doesn't think buying the system is the issue, he thinks the reality of putting in the meter and better tracking the usage will bring in more revenue and help pay this system off faster than what we have talked about.

Commissioner Ledford said he will be excited to see if our revenue increases once this system is in.

Mayor Griggs said he does not know how much this system differentiates from the system the Commission agreed to fund in the recent past. We have been on the firefly program, he doesn't know how much more computer software there is other than the firefly, but we agree to fund the firefly program several years back. This gives us the opportunity to get a grant to fund the entire program within two years instead of six.

Commissioner Rentschler asked Mrs. Nichols if she said the technology has improved since we started doing this, are we looking to replace everything that has already been put in. Mrs. Nichols stated they will not have to replace everything they have put in; there is a little module that fits on the meter that will need to be replaced on the meters that have all ready been installed. The difference between the new system, and what we need to complete, is \$2,235,000 and if we use the current system we have been using, it is, \$2,495,000. It is actually less expensive to go with the newer system, which includes replacing the modules on the meters.

Commissioner Rentschler asked if next year they would be coming back with an improved system. Mrs. Nichols stated they would not.

Mayor Griggs asked if there were any other questions. Hearing none, he asked for a motion on this item.

Commissioner Rance moved to approve Resolution No. 2010-11, which is to allow us to apply for a grant from the U.S. Bureau of Reclamation waterSMART program for assistance with the

Firefly Water Meter Replacement Program. Commissioner Ferguson seconded the motion. A roll call vote was taken. Motion carried with a vote of 6-0-0.

19. Discussion, and possible action, on an Order of Business for future City Commission Meeting Agendas.

Recommendation: Select an "Order of Business" for the City Commission Meeting Agendas.

Mayor Griggs read the agenda report and turned the floor over to City Manager Roath.

City Manager Roath indicated that some time ago the Commission discussed some possible changes to the order of their business. At that time, the Commission decided not to make a decision, but he believes that one or more members of the Commission asked him to come back with several alternatives at a later date, and this is what is before you now. He believes the bottom line issue, besides the titles and possibly rearranging the agenda a little bit, if we cut to the chase and it is 10:30 at night, it is really the issue of where the Commission would like to see the public comments put on the agenda, if at all. Before we make any changes or suggested changes to the order of business that the Commission currently uses for its meetings, he would like to get some feedback as to how you wish to deal with that issue. One of the things you will notice in the recent agendas that we have, he tried to bring all of our consent agenda items under the Consent Calendar, sometimes called Consent Agenda. He tried to bring all of those items beneath one heading, to make them easier to deal with, instead of scattering them throughout the agenda. One item that we don't have, and other cities utilize, is the approval of the agenda, which allows the Commission at the beginning of a meeting if there is something that they don't want on the agenda or wish to rearrange, it allows the Commission to do it at the beginning of the meeting if they so desire. With regards to the public comments section, a lot of cities utilize the public comments for non agenda items. One city he saw had a public comments section towards the beginning of the meeting but only allowed up to five citizens to speak for no more than two minutes. After that, those who wish to speak could speak at the latter part of the meeting, similar to our public comments section. At that city, they had a sign in sheet, first come first served, and that sign in sheet would be given to the City Clerk and they would give it to the Mayor, and he would then call those names in the order in which they requested, up to five, and allow them no more than two minutes to speak. Anyone after that would be given the opportunity to speak at a later time. There are a host of ways to go about that process if you so desire. Citizens normally have the opportunity to speak at either a public hearing or a specific item on the agenda, and address those issues at that time. Some cities the Clerk would have the list and a citizen would sign up for whatever item they wished to speak on and were called, based on that item, in the order in which they signed up. It all depends on how the Commission wishes to conduct their meetings, and he will do it anyway they wish it to go. Our current set up that we have used for previous meetings, is obviously Call to Order, Roll Call, Invocations and Pledge of Allegiance, Public Hearings, Call of the Consent Calendar, Other Business, Unscheduled Communications, Executive Session either before or after Adjournment. The first option is similar, it gets down to Approval of the Agenda, Presentations, Public Comments, Consent Agenda, Items Removed from Consent Agenda, Public Hearings, Unfinished Business, meaning that were carried over from another meeting, New Business, Communications, and Executive Session, either before or after Adjournment. The second option is similar; it gets down to Presentations, Consent Agenda, and Items Removed from Consent Agenda, Regular Agenda, Public Comments, Communications and Executive Session, either before or after Adjournment. There is a host of ways that the Commission could go about, if they want to change it at all. He was asked to present it, and that is what he is doing.

Mayor Griggs said what we will do is run through all this. His personal preference is he thinks the agenda works quite well as it is. He thinks we need to make more of an asserted effort to educate the public that they can and should get on the agenda if they have issues they wish to address to the Commission. His preference is to do it that way and continue to do it the way we do it. He knows we have had instances where people thought it was late and they would have preferred to have their comments in sooner. His thoughts on that are if we make it to where they know they can get on the agenda; they won't have to wait as long.

Commissioner Ledford said he has been on the Commission for seven years and he thinks it works pretty well. The problem he has with the public comments up front is that he doesn't think it is fair to those who take the time to schedule their issue and then they have to wait for those who just show up. If that is the case, no one is going to schedule; they are just going to show up and talk. The instances that you are talking about that we had, he believes where they could have called and been added to the agenda but didn't. They say they don't want to stay out late, but we stay out late. He thinks if someone wants to talk then they need to be on the schedule. We have never, that he knows of, cut anyone short. There are a lot of questions that they are not going to be able to ask in just three minutes. How many three minutes do we allow them, what can you do in three minutes. It can get pretty intense and we can't even take action, then how can we respond to that if it is something we are not aware of. He thinks having scheduled communications is a lot better and allows staff the chance to respond. Some of the issues can be resolved by talking to staff and don't need to talk to the Commission. When someone calls him and asks him a question, the first thing he asks them is if he has spoken with the City Manager; most of the time they had not. He wants to be careful about encouraging about allowing others to take up time when others have taken the time to get on scheduled communications, so we can properly address it. He agrees with the Mayor, he likes the agenda the way it is, we have never had anyone off the street who couldn't speak.

Commissioner Rentschler said he would say that he agrees with Commissioner Ledford. People that would like to talk can certainly have the opportunity to schedule and we shouldn't be putting the unscheduled communication ahead of scheduled. He would go with looking at the way it is.

Commissioner Ferguson said he disagrees. He thinks we should have the option the City Manager put in here in Section B, where it is three minutes with a maximum out 30 minutes. There are things that come up with people where they need to speak with the Commission and it is too late to get on the agenda because we require a weeks notice. This limits the amount of time over something that is 30 minutes. We have been here, and it is after 10:30 already. Most of the time we will not have anyone who wants to speak. Having this early, gives people a chance to come up and talk. We are not going to take any action because it is just a comment. They get three minutes to comment, for a maximum of 30 minutes, so if we only have two people, it will take 6 minutes and we are done with it and continue on with the meeting. We do have a lot of seniors and a lot of people, who do go to bed early, and they would like to say something, but if they have to wait until the end, they leave. Some of these older folks are set in their ways, but they would still like to have their word put out there. He thinks it would be fair enough to do that. He has had a few people tell him that they would like to say something to the Commission about their street or whatever, not an actionable item. They are not going to get scheduled to come in a week early or wait for unscheduled communications, which will most likely not happen now until after 11:00, which is even late for him. He would like to see us put the unscheduled comments first; at least one meeting a month, so people can talk to us. He thinks it will give us, the City Commission because we work for the tax payers, more input from the people. He doesn't think we will get anyone for unscheduled communications tonight, because he does not see anyone out there. He thinks the fair thing to do is to let the people say what they need to say in three minutes and leave. He would like to see the Commission adopt part B of the proposal at one meeting per month.

Commissioner Rardin said he kind of agrees with Mayor Griggs, Commissioner Ledford and Commissioner Rentschler but he also agrees with Commissioner Ferguson. Is there any way we can just try it and if we don't like the way it turns out, and if we don't like it, change it back. Would that be possible or is it something that we actually have to adopt an ordinance for.

Mayor Griggs is sure they will not have to adopt an ordinance; it would just be something we direct the City Manager to do. Commissioner Rardin said he thinks the public should be heard. Like Commissioner Ferguson says, sometimes it is a pain to get on the agenda, to get something prepared, and do all that. We need something simple.

Commissioner Rance said doing the same old thing over and over again and expecting a different resolve is silly. So often, we hear the public say my Commissioner doesn't do this or he doesn't do that. For years we have been set in our ways, doing things the same old way, and he thinks it is time to change that. He personally likes Option One that moves the public comment to the beginning. We are a community of over 40 percent seniors and we need to take that into consideration. He also believes that there needs to be some time constraints. We have all set here and listened to people talk about barking dogs and bark falling off trees. We need to create a time limit. He doesn't know what those time limits should be, but he is with Commissioner Rardin in that we should find something that works and if it doesn't work, we can always change it again.

Mayor Griggs stated it looks to him like right now we are kind of split. He doesn't agree with that approach. He thinks most of the people don't necessarily want to address the Commission; they want to address the City. As we move forward and get more information out to let people know, if they want something done, they need to go see City Manager Roath, Mr. Threadgill, Mr. Cesar, Mr. McNeile, or Mrs. Nichols. That is where it is going to happen for most of those complaints. The business of the City is varied. We have a lot of business in the City that we need to get through as well. He is reluctant to talk about time limits for the public if they have a legitimate and serious issue that they need to talk to us about. He doesn't like that and would prefer to hear them out. That is why he would prefer to have them on the agenda specifically. If we are talking about changing ways, it is not too hard to get on the agenda to make their comments to the Commission. He believes that is a fair thing for us to ask them to do. He doesn't know that he sees an agreement from the Commission. It looks more like this side and that side at the moment; maybe we will have to get Mayor Pro-Tem Cole to break the tie. He suggests we bring this up again at the next meeting.

Commissioner Ferguson moved to table the item until the next meeting. Commissioner Rardin seconded the motion. A roll call vote was taken. Motion carried with a vote of 4-2-0. Mayor Griggs and Commissioner Rentschler voted nay.

20. Notification of Boards and Committees.

Mayor Griggs read the vacancies asked anyone interested in applying to contact the City Clerk.

UNSCHEDULED COMMUNICATIONS:

A. Commissioner Rardin commented on the following:

- 1) He would like to see the City Manager direct staff to prepare a Blight Ordinance that the Commission could review or look at to try to clean up certain areas within the City. He does not know how to go about that, if we just direct him to do it, and bring it back to us next week or in 45 days or so, if that is enough time.

Mayor Griggs said he has asked the City Manager to come up with several ideas as it relates to improving the community. More than likely, for us to deal with that, we will need a special meeting to have a lengthy discussion about a variety of items. With the budget coming up, he would suggest they wait until after the budget hearings, maybe in the early summer and see if we can move forward on that. Those are things that are of interest to the Commission. He thinks we need to have this item on an agenda or have a special meeting to give it the time it deserves. There are some things that we need to discuss for this type of ordinance. The ordinance that you are talking about, for blight or dilapidated buildings, maybe a change in our sign ordinance, there may be a variety of things that we can tackle at one time to see which issues we want to or could move forward on. Some issues may take longer to work out than others.

Commissioner Rardin asked if they could start working on the Blight Ordinance itself, and then have the meeting. Once they get it prepared, we can look at it and add our comments and add in any changes, that way we are a step ahead.

Mayor Griggs said he knows that staff has been looking at means to address dilapidated structures and how to define that. We are not there yet, but he knows that is something they are working on. He is not sure when they will have a proposal for the Commission to look at.

B. Commissioner Rentschler commented on the following:

- 1) He wants to add to the City Manager's task list, he would like for the City to come up with a Sign Ordinance of some sort. Perhaps adopting the same type Ruidoso has. He would like to see it mid summer time frame because he thinks it adds to the Blight Ordinance that they talked about.
- 2) His other issue is with the sign benches. The company from El Paso that is no longer involved in this has left all his benches in place. They are all over White Sands Boulevard and other places, they are falling apart, falling on the ground and most of them cannot even be sat on because they might fall on the ground. He noticed that there were some located in the City Yard, so apparently we are picking up some of them.

Sam Trujillo, DPS Director said Commissioner Rentschler is correct; we no longer have a contract with the vendor from El Paso. He was sent a letter to come and pick up his benches, we gave him a certain amount of time, and the benches that he did not pick up, we went and moved them out to the City Yard. White Sands Boulevard is a little bit of a different story because that is not city property that is a State right-of-way. We have been in touch with some representatives from the state and let them know these benches are in their right-of-way and they can remove them. We offered our assistance with that, they are examining that to see which ones are on the right-of-way and which ones are private property. If it is on private property, which some of the benches are, it will be up to the property owner to move the bench or not, until we get the Sign Ordinance in place. We are trying to get the rest of the benches removed, either through cooperation with the state or removing them ourselves.

Commissioner Rentschler asked if this will be address under a proposed Sign Ordinance as well. Chief Trujillo said it could be one of the items that can be addressed in a Sign Ordinance, as far as what an individual can have on private property. Right now an individual can take one of the benches and put it on their private property because we don't have anything in the City Ordinance against that. The only contractors we have with the vendor's deals with the City's right-of-ways.

Commissioner Rentschler stated we have all seen them, especially on White Sands Boulevard. One of them is laying in pieces on the ground over there by Glacier. It really makes it look back when someone comes into the City and no one would be able to sit on it anyway. One of the vendors has approached him and said if the City would allow it, he would clear them out just to get them out of the way because it gives his business a black eye. He is concerned that people would not be interested in advertising that way because it does make the benches look bad. Chief Trujillo said we are aware of that, but it is the property of the State and we have been working with them to get those benches removed. They are really concerned that they identify the benches that need to be removed. He will keep the Commission updated on the progress.

Mayor Griggs stated as we go forward on some of those things, we step out to things like paving parking lots. Portable signs are an easy target, billboard are a target, putting dumpsters in front of properties. There are a variety of things and when we talk about something like this, it starts getting bigger and bigger because there are a lot of issues to address. Some may seem easy, but they still need to be talked about and dealt with.

G. Mayor Griggs commented on the following:

- 1) He would like to thank everyone who worked on Easter in the Park. It was a big success this year, a large part because the weather cooperated. We actually ran out of Easter eggs to give the kids, and it was a lot of fun for the kids and the people involved.

EXECUTIVE SESSION: Adjourn into Executive Session to discuss threatened and pending litigation (Oasis Trailer Park).

Commissioner Rardin moved to adjourn into Executive Session to discuss threatened and pending litigation (Oasis Trailer Park). Commissioner Rentschler seconded the motion. Roll call vote was taken. Motion carried with a vote of 6-0-0.

ADJOURNMENT.

Meeting Adjourned at 10:58p.m.

(SEAL)

Mayor Ron Griggs

ATTEST:

City Clerk Reneé L. Cantin

*(Prepared by Marsha D. Brady, Deputy Clerk)
Approved at the Regular Meeting held on April 27, 2010.*

UNOFFICIAL MINUTES