Tuesday January 17th, 2006

REGULAR MEETING

Minutes

TIME & PLACE: The Public Utility Advisory Board of the City of Truth or Consequences, New Mexico, in the County of Sierra, and State of New Mexico, met in Regular Session in full conformity with the Law and Ordinances of said Board, at the Commission Chambers of said city, on Tuesday the 17th of January A.D., 2006 at 5:30 P.M.

PRESIDING OFFICER: The meeting was called to order by Alvin Siffring, Chairman and Virginia Womack acted as Secretary by recording the business at hand.

ATTENDANCE: Upon calling the roll the following members were reported present:

Alvin Siffring, Chairman
Lola Polley, Vice-Chairman
Charles Hibler, Member
James Hunt, Member
Bill Jacka, Member

Also Present:

Jaime Aguilera, City Manager

Absent Was/Were

QUORUM: There being a quorum present the Board proceeded with the business at hand.

APPROVAL OF AGENDA: Alvin Siffring called for approval of the Agenda.

“Charles Hibler moved that the Agenda be approved as submitted.”

Seconded by Lola Polley
Motion carried unanimously

APPROVAL OF MINUTES: Alvin Siffring called for review and approval of the minutes of the Regular Meeting held January 17th, 2006.

“Lola Polley moved that the Minutes of the Regular Meeting held January 17th, 2006 be approved as submitted.”

Seconded by James Hunt
Motion carried unanimously

DISCUSSION ON SEWER CONNECTION FOR TURTLEBACK GOLF COURSE: Jaime Aguilera: Everything that was negotiated before which was the $2.70 per 1000 gallons and there was a $10,000.00 deposit that was supposed to be made and it was increased to $15,000.00 because that would give us 3 months of operation. I changed the 200 units to 60,000 gallons because we’re measuring things by gallons. I added a tap fee of a $1,000.00 so every time they hook up a home or a commercial business their going to pay us $1,000.00 and that is for plant expansion. If they eventually pull out of our sewer system then we would pay them back that $1,000.00 because their not taking up our space anymore. However that $1,000.00 would be payable back to them over a 5 year period. In the mean time hopefully we will
have used that $1,000.00 to do some expansion on the plant.

Jaime Aguilera reported on several different things they could do out at the existing sewer plant.

James Hunt: If they (Turtleback Golf Course) want to pull out in 4 years can they?

Jaime: Yes they can pull out at anytime.

Jaime: I don’t know if this board wants to revisit our tap fees but right now they don’t provide enough money to expand the sewer plant. Right now when anybody hooks up if it’s an existing line and its vacant somebody comes in and wants to build a house it’s a $235.00 hook up and all that really pays is the hook up. It really doesn’t leave enough money to do future work on our plant. Most city’s have a utility expansion fee that they charge so that every time somebody hooks up they pay an amount of money and it’s set aside for nothing more then eventfully expanding the sewer plant or water system either one. This is something we should think about because our plant is at 85% capacity. With Turtleback going in and Wal-Mart coming in we are going to run into a sewer deficit in less then 5 years probably.

Turtleback being the fact that they work in other parts of the country they know about these fees so they didn’t have any problem with the $1,000.00 fee because it’s less then what they pay elsewhere. I pretty much just pulled this figure out of my head because we really need a study so the engineers could tell you how much it’s going to cost to expand the plant and over X amount of time and how much growth you expect in that time. Then you assign a sewer connection fee.

“Charles Hibler made a motion that we recommend to the City Commission that the City Manager contract for an engineering study for the expansion of the existing Sewer Plant.”

Seconded by Lola Polley
Motion Carried Unanimously

CONTRACT/ASH ST. REBUILD:

Charles Hibler: Things are moving on it, nothing will probable happen for another couple of months.

Discussion only. No action taken.

FINANCIAL REPORT:

Jaime Aguilera: It looks like we will be buying less and less from WAPA as the years go on and more and more from Sierra. This means our expenses are going to go up over the years. We have a contract coming up with Sierra. The ten year contract expires this year December 2006. Do you all have any thoughts about anybody else we can get cheaper power from other then Sierra.

Alvin Siffring: Quite a few years ago we had some people approach us and want to sell us power. At the time it looked like there could be a difference. They were going to sell power cheaper then we could get it through Sierra. But there were a lot of other circumstances in there. By the time the smoke all cleared we ended up getting a better deal from our electric supplier. For both Sierra Electric and us so it was a win-win situation at the time. There are some advantages in dealing closely with Sierra Electric in that they are next door their are neighbors. I’m kinda of a great believer in working closely with your neighbors if you can do it rather then buying form some outfit in Tennessee.
Lola Polly: Do you go out to bid, can you tell suppliers what you are willing to pay or you won’t buy their product? Do we not have that option?

Charles Hibler: I don’t think so, but we do have the option of going out and looking and talking to other power suppliers, which I think we should do and at least find out if their interested. A couple of years ago somebody talked to PNM and they said they can’t touch it. They couldn’t meet that price.

Jaime: We do have a good price out at Sierra. I’m just wondering if somebody else isn’t out there with a better price. We will never wean ourselves off of Sierra; we might buy 5% here and 10% somewhere else which would help because eventually we’re going to loose WAPA altogether. In ten years from now we may not be getting anything out of them so it would be nice to have two or three other suppliers.

Jaime: Sierra said they would not propose any change on the existing contract.

Discussion ensued, no action taken.

ADJOURNMENT:
“James Hunt made a motion to adjourn the meeting.”
Seconded by Bill Jacka
Motion Carried Unanimously

APPROVAL:
PASSED AND APPROVED this 21 day of February 2006, on motion duly made by James Hunt, seconded by Lola Polly, and carried.

Alvin W. Siffing, Chairman
Public Utility Advisory Board