PUBLICATION ADVISORY BOARD
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
REGULAR MEETING
APRIL 16, 2007

TIME & PLACE: The Public Utility Advisory Board of the City of Truth or Consequences, New Mexico, met in a Regular Session in full conformity with the law and ordinances of said Board, at the Commission Chambers of said City on Monday, the 16th day of April, A.D., 2007 at 5:30 P.M.

PRESIDING OFFICER: The meeting was called to order by Alvin W. Siffring, Chairman and Jennifer L. Vallejos acted as secretary of the meeting.

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

Alvin W. Siffring, Chairman
Lola Polley, Vice-Chairman
Charles Hibler, Member
James Hunt, Member

Also Present:

Jaime Aguilera, City Manager
Gil Avelar, Electric Superintendent
Bernadine Garcia, Utility Director
Jennifer L. Vallejos, Deputy City Clerk

Absent:

Bill Jacka, Member

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

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

"James Hunt moved to approve the Agenda as submitted."

Seconded by Lola Polley
Motion carried unanimously.

APPROVAL OF MINUTES: Alvin Siffring, Chairman called for review and approval of minutes of the Regular meeting held Tuesday, February 20, 2007.

"James Hunt motioned to approve the minutes as submitted."

Seconded by Charles Hibler
Motion carried unanimously.

Alvin Siffring, Chairman called for review and approval of minutes of the Regular meeting held Monday, March 19, 2007.

"Lola Polley motioned to approve the minutes as submitted."

Seconded by Charles Hibler
Motion carried unanimously.

STUDY FOR THE COST OF EFFLUENT: Jaime Aguilera, City Manager stated that he had done some research on putting together the figures, and the bottom line is rather simple. He added that he figured out our cost, adding up the pumping and
WATER-
SUGGESTIONS
AND PRICING
STRATEGY:

chlorination strategies; however, they did not take into consideration the
cost of the infrastructure which has just been built. He added that this is
a two (2) -million dollar infrastructure. The actual physical cost to
produce the water minus the labor and infrastructure is roughly twenty
(20) cents. He included that the field is wide open as far as setting the
rate. He stated that Alamogordo is currently selling their effluent water
at one dollar and thirty three ($1.33) cents per one thousand (1,000)
gallons.

Mr. Aguilera added that the cost sounded about right; however, he was
thinking one the fee should be one dollar and fifty cents ($1.50). He
included that the regular water is selling at one dollar and seventy five
($1.75) cents, and we are charging ten (.10) cents over for the effluent
water. Mr. Aguilera stated that maybe we should request lowering the
cost to one dollar and fifty ($1.50) cents. It would be an incentive to use
that water over the fresh water. He stressed that we have a regulation
that says effluent water shall be used for construction sites, but the
contractors always use excuses as to use the fresh water; and the City
ends up allowing them to use the fresh water. He included that they put
up a new hydrant near the Golf Course, and hoped that one day they
could get it computerized.

Discussion ensued.

Mr. Hunt stated that if they do lower the effluent water to one dollar and
fifty ($1.50) cents, it will give the City some money to set aside to
purchase the computerized unit.

Charles Hibler asked what percentage of this money used to build the
pipeline was money from the grant.

Mr. Aguilera stated that of the two (2) million used, it was all grant
money.

Mr. Hibler stated that in actuality we have operating costs but no
investment in this. He included that he felt in his own personal opinion
that this fee may be a little high to get the contractors started. He
included that if the estimated cost to produce this is only twenty (20)
cents, then the sooner we can get people to start using the effluent water,
the better off we are going to be.

Mr. Hunt pointed out that Mr. Aguilera had stated that this fee did not
include labor or overhead.

Mr. Aguilera stated that it was difficult to calculate the labor and
overhead, because it is part of an entire process of the sewer treatment
plant. Once the water goes into the pond, there is no labor. The
producing of the water is part of the operation of the plant. He added
that if we did not have the effluent, the labor would still be there because
we would still have to operate that plant.

Mr. Hibler asked how much of a percentage of the water being produced
is going unused at the present time.

Mr. Aguilera answered that in the Summer, about fifty (50%) percent or
four hundred thousand (400,000) gallons goes into the river per day.

Discussion ensued.

Mr. Hunt stated that we may want to put a meter up on the east side of
the town, where the new construction is going up; the closer it is to where
they are going to use it the more they'll be encouraged to purchase it.
ELECTRIC
REPORT:
Mr. Hibler stated that he had information to present to said Board on the Electric Utility Operating Report.

Discussion ensued.

Mr. Hibler stated that these charts showed different data. On chart number four, he stated that you could see the effect of the rate increases, and how much the City depends on this revenue. He added that what the chart showed were the margins for each month, and it all averages out in the neighborhood of two hundred (200) to two hundred twenty five thousand ($225,000.00) dollars per month. He included that he mentioned this because he wanted everyone to understand how important this electric system is to the overall operation of the City. It is very essential; this would complete about forty (40) to fifty (50) percent of our annual budget.

Discussion ensued.

Mr. Hibler stated that our losses from last year, consumed about two hundred and eighty two thousand ($282,000.00) dollars in what would have been profits. He stressed that this is an important item and we need to watch it.

Mrs. Polley asked what some of the other areas were as far as losses, being that we had such a huge loss.

Mr. Hibler stated that there is always energy theft; however, he did not think that was a significant problem. He added that un-metered energy, slow meters or line loss; which is not considered a significant problem at
this time, with all the work that has been done on them.

Gil Avelar, Electric Superintendent, stated that they are phasing the slow meters out. He added that when there was a rate increase, they had some people adjusting their meters, tampering with them.

Mrs. Polley asked if the City charged itself for its own usage or if it would be in that bill as well.

Mr. Avelar answered that the City charges itself.

Mr. Hibler stated that all the street lights and certain other parks are not charged. He added that political organizations such as the Commission provides certain free electric services, which is not bad, however; it should be metered and accounted for.

Mr. Hunt added that this way we could get a better figure on our loss. This would provide an estimate of what our losses should be. Legitimate losses to compare to the ones that are not metered. Everything should have a meter. This would determine what is free and what is not.

Discussion ensued.

WATER CONSERVATION STUDY:

Mr. Siffring asked if anyone had found anything or saved any more information on this topic. He advised that said Board keeps collecting information and one day they would talk about this and make their suggestions.

Discussion only. No action taken.

CONTRACT/ASH STREET REBUILD:

Mr. Avelar stated that a contract company, Southwest came into town to finish the switches which had not been finished prior. He added that they came in and disassembled materials, got to two (2) points, and once they got to about three quarters (3/4) of the way done; they realized that the actuating arms were not the correct ones for the units. They were steel as opposed to fiberglass. They then disassembled everything and said they would be back in a couple of weeks. He stated that he had received a call from one of the operating managers which assured him that as soon as they received the parts from S & C, they would be back up to finish the job.

Discussion ensued.

Discussion only. No action taken.

FINANCIAL REPORT:

Mr. Siffring reported that the vast amount of the financial report was on the electric side; therefore, we could move onto the next item on the agenda.

Discussion only. No action taken.

ITEMIZING PASS/THROUGH OF THE ELECTRIC RATE:

Mr. Siffring read a memo submitted to said Board from Mary Penner, City Clerk; in regard to this item.

Discussion only. No action taken.
ADJOURNMENT: There being no further business to come before the Board, Alvin Siffring, Chairman called the meeting adjourned.

APPROVAL: PASSED AND APPROVED this 31 day of __________, 2007, on motion duly made by __________, and seconded by __________, and carried.

Alvin Siffring, Chairman