

CITY COMMISSION MEETING MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
CITY COMMISSION CHAMBERS, 405 W. 3RD St.
TUESDAY, AUGUST 23, 2016

A. CALL TO ORDER

The meeting was called to order by Mayor Steve Green at 9:00 a.m., who presided and Renee Cantin, City Clerk-Treasurer, acted as Secretary of the meeting.

B. INTRODUCTION

1. ROLL CALL

Upon calling the roll, the following Commissioners were reported present.

Hon. Steve Green, Mayor
Hon. Sandra Whitehead, Mayor Pro-Tem
Hon. Rolf Hechler, Commissioner
Hon. Joshua Frankel, Commissioner

Absent: Hon. Kathy Clark, Commissioner

Also Present: Juan Fuentes, City Manager
Renee Cantin, City Clerk-Treasurer

There being a quorum present, the Commission proceeded with the business at hand.

2. SILENT MEDITATION

Mayor Green called made a statement, He has always felt that Hatch by extension has always been our Sister City. We have a great rivalry with them in sports, we win some and they win some. He knows there is a relationship between our Police Department and theirs. In this 15-20 sections of silent meditation he asked to please remember the family of Officer Jose Chavez, as well as, the Hatch Police Department and our Police Department as well.

3. PLEDGE OF ALLEGIANCE

Mayor Green called for Police Chief Alirez to lead the Pledge of Allegiance.

4. APPROVAL OF AGENDA

Commissioner Frankel moved to approve the agenda with pulling H.4 for the Policy for late application submittals and quarterly reports for Subrecipient

Grants & Lodger's Tax awards. Mayor Pro-Tem Whitehead seconded the motion. Motion carried unanimously.

C. COMMENTS FROM THE PUBLIC (3 Minute Rule Applies)

Mayor Green called for Public Comment, noting those wishing to comment would get three minutes, may only approach the podium once, and any material for the Commission was to be left in the black box by the podium.

Randy Ashbaugh, 1023 N. Poplar addressed the Commission related to:

1) He went to the Utility Advisory Board and wasn't selected to serve on the board. He heard that Grant Montgomery has resigned and he stated he will apply for that vacancy. He thinks Gil will do a fine job, he knows the electrical system. He hopes he can get the other vacant spot.

2) Automatic Meter Reading System. In talking with a few people and learning a little bit himself, he doesn't feel the city should take any action or not. To his knowledge it hasn't been to the Utility Board in six months to a year. It's a very key expansion or renewal, and the utility department should be the right system that's put in. The Automatic Meter Reading which doesn't have all of the bells and whistles that the advance structure system would have. Everyday technology changes, we should be cutting edge and we have to be very careful because we are 150 miles from any service. Knowing that he has gas dispensers. For the technician just to drive to town is \$500 for the registers. We need to look at that. He is asking the Commission to take a hard look at this and not take any action and he would like to see a workshop on switching the metering system.

Klaus Wittern addressed the Commission related to:

1) YESCO proposal. He encouraged them to replace all water and electric meters with new smart meters that are connected and supported by an Advanced Metering Infrastructure (AMI) system. Those meters should be capable to be supported by an Radio Frequency two way communication system. Under the circumstances, should the Commission select an AMR system as it appears to be leaning towards. That's essentially a drive by system and ten years old and basically outdated. The AMR System is vastly inferior to an AMI system and significantly more expensive. There is a chart in the handout he gave them that indicates the relationship is the same as the ten year old information. He urges them to absolutely not select an AMR system. He is recommending the AMI system can support the customer's support system and the utility system in a vastly superior manner. He also urged them to consider a leak detection system. That is necessary because the unmetered water quantities are 27% and probably half or more is in relationship to leakage and seepage. He will reduce it to writing and submit his comments at a later date.

Mayor Green thanked him for the energy and effort that went into giving them this handout.

Sazi Marri, President of MainStreet Truth or Consequences addressed the Commission related to:

1) She gave an update on the Great Blocks application which was kicked back, the good news was all of the applications were kicked back to other communities too. Rich Williams and Charlie Deans from New Mexico MainStreet from Santa Fe came down to meet with them to help them understand what they were looking for. Initially they proposed Austin St. which they felt was too far from the Broadway and Main St. area. So they suggested finding a way to connect Austin with the retail area to draw the patrons from the Hot Springs Area to the downtown. They also emphasized economic vitality, infrastructure needs, funding for implementation and place making impact. Based on these recommendations, the board decided to modify the original proposal to include Foch St. from Main all the way to Austin and then Austin East one block and west one block so it will form a T. They felt it was the best fit because it connects Austin to the heart of downtown, has ample opportunities for economic vitality, will include the intersection of Foch & Broadway which has substantial drainage issues, and the possibility to become a public improvement district. It will also improve the safety and appearance of a very important part of downtown.

2) Business Development Speaker Series is well underway. They have had a great turnout and the speakers and presenters have been fantastic. She thanked them and everyone who participated. The next one is Tuesday, August 30th from 4-7 at the MainStreet Office. This will be Pamela Anderson who will be sharing insider secrets to marketing. She will focus on low cost or no cost effective marketing. You can go to eventbright.com to register or to torcmainstreet.org or stop by the office.

Judy McChesney, 1406 N. Riverside Drive addressed the Commission related to:

1) Request to vacate Sunshine St. off of Riverside Drive to Third St. It is on her property and they lived there for 7 years and nobody has been on it. It goes from Riverside to Third St. She has a picture and a map to show the Commission where it's at. They are just asking them to vacate the street and she would like to make sure it's on the agenda to get something done.

D. RESPONSE TO PUBLIC COMMENTS

Commissioner Hechler responded to the new metering systems. He would hope that if we do decide as a Commission to move forward to renovate our system that we would use the most up to date technology. If we use technology that is ten years old, by the time we get this thing implemented, it will be twenty years old by the time we're done. Then we would be way behind the curve, so he would urge the Commission to consider that when we do make that decision.

Mayor Green asked the City Manager or City Clerk to be sure Ms. Chesney is contacted when it comes back on the agenda so she can be here in case there are any questions for her. City Manager Juan Fuentes stated he believes Building Inspector Travis met with Ms. Chesney and he has brought it to his attention. There is a process that has to be followed and we will bring it back to the Commission at that time.

E. PRESENTATIONS

1. Presentation for the pink patch project, breast cancer awareness and fund raiser for cancer research. Lee Alirez, Police Chief

Police Chief Alirez presented the project. It is a campaign for the month of October to increase awareness for Breast Cancer. 1 in 8 females will be diagnosed with this treatable disease. As part of that, we will join a nationwide law enforcement campaign where patches will be pink. We will sell these patches for \$10 each and we will partner with the University of New Mexico Cancer Center. After all initial costs are covered, all profits will go to them. We have already received requests for our patch because as you know, the name of our city is highly marketable. They're very highly collectable. As you can see we have picked two ribbons and those officers who desire to wear them can and it seems like all of them want to. We are the first in the State of New Mexico to do this. Last week he was contacted by a second agency who is interested in partnering to do this. It's something that will catch on and move. It started in California and has now moved as far as back East. There is a handful of agencies that have them already. We should receive ours in the next few weeks. He has already had a request to sell them for donations at the Los Angeles County Fair and they will be doing the same across the entire state of New Mexico. They will be doing media releases to help bring awareness to this highly treatable disease and how important it is to get regularly examined. Then at the end of October all of the proceeds minus the initial cost will be donated to the UNM Cancer Center.

Mayor Green congratulated him for being proactive.

2. Presentation for Review of the Parks Renewal Plan. Recreation Advisory Committee. Greg D'Amour, Recreation Advisory Board Chair

Mr. Greg D'Amour asked Destiny to read a letter to the Commission. Destiny Mitchell read a letter from a student named Bernardo Rodriguez who attends Hot Springs High School. Mr. D'Amour continued there are some thoughts on our mind from our youth. He is sure we all have our needs and problems at the parks. He noted this Commission has always been supportive of our community parks, etc. We are developing a new Park, what used to be a fire hall is becoming a new park. If we drive by in memory of the Fire Hall we have the hydrants out front and that will continue to develop. He has Louis Armijo Park from Google Maps pulled up even though they are a little behind the times. He showed where some of the improvements are being made. It's developing nicely, that have Gymkhana and that potential for needing funding. He showed where the new soccer fields are going in right now. The whole area has been leveled and cleaned. There are times when the two seasons for baseball and soccer bump into each other and we've done a good job working with both. This past couple of years, little league has really started growing to the point that one of the key things they have identified is the need to separate some of the younger ones out. Thanks to the Little League tying together with the Parks Department, they have went out to the Rotary Club and Bartoo and other organizations. They have been digging fence holes to turn it into a T-Ball Field. If you look at the 1996-1997 Master Plan, this area was to be used for a youth

activities center during other games. He brought to their attention because of the philanthropy and the involvement of the Sierra Recreation Association who use to put together fundraisers, there was an area that got sodded. He gave more detail on that project. Last year they came and brought a plan to refurbish these fields. As funding opportunities are available they want to make sure they are not forgotten.

Destiny Mitchell talked about the swimming pool. She said two people called and said they were moving here because there is year around access to a swimming pool. They had a good summer and average about 90 people per day. The water was a perfect temperature all night long. They use covers and solar energy to heat it since April. They will need help putting the pool cover back on in October. They are trying to keep ahead of all of the little maintenance things. Now they are in their fall schedule and the core people who support the pool are the Water Aerobics Ladies. They are doing the best that they can, with minimal complaints. She talked about swimming lessons which are on hold right now. They run about 6 weeks at a time. There were 27 kids in the last group. Our instructor will be on vacation and it has another 30 kids signed up for the next session. Swim team will be starting their training in September. The pool is being used as much as possible this year.

Mr. D'Amour said we have paid Lifeguards and we also have volunteers at the pool. We continue to have the same problems as any community about a little disgruntlement but the hopes is if we continue to build our bylaws and rules and regulations, we can keep our parks safe. Hopefully as funding becomes available, they hope the Commission will keep the parks in mind.

Commissioner Frankel asked if she is fully staffed now. Destiny responded she has one part-time lifeguard being published. They have 3 Full time and one part-time employee. They use volunteers for cashiers in the evening and for the most part they are open five days a week and once that position is filled they will open six days a week.

Mayor Green would love to see a reach out from the board to the High School to see if we can get someone representing the schools on the board. They view the parks possibly a little differently than adults do and we need to consider our future, so the kids can have representation and a voice. He suggested they get with the Principal and Superintendent to see if we can have representation.

F. CONSENT CALENDAR

1. Public Utilities Advisory Board Minutes, June 20, 2016
2. Public Arts Advisory Board Minutes, June 20, 2016
3. Recreation Advisory Board Minutes for:
 - A. February 1, 2016
 - B. March 3, 2016
 - C. April 4, 2016
 - D. June 6, 2016
4. Lodgers Tax 4th Quarter Reports for FY 15/16

Mayor Pro-Tem Whitehead moved to approve the consent calendar including the Public Utilities Advisory Board Minutes for June 20, 2016; the Public Arts Advisory Board Minutes for June 20, 2016; the Recreation Board Minutes for February 1, March 3, April 4, and June 6, 2016; and the Lodgers Tax 4th Quarter Reports for FY 2015/2016. Commissioner Hechler seconded the motion. Motion carried unanimously.

G. ORDINANCES, RESOLUTION, & ZONING

1. Discussion/Action: Resolution No. 06 16/17 adopting the 2018-22 Infrastructure Capital Improvement Plan (ICIP).

City Manager Fuentes showed the last year's ICIP Projects that started 2017-2021 and last year our number one priority was the Law Enforcement Complex/Animal Shelter; Water Wastewater line replacement; Hospital Expansion; Electrical Main Feeder upgrade; Construction & Demolition Landfill; Healing Waters Plaza; Regional Detention Center; Wastewater Treatment Plant renovations; and other projects were 2018. We had a public hearing at a previous meeting and he shared this at a Rotary Meeting. Some of the comments received were: Street improvements; paving of unpaved roads; Citywide Storm Drainage Study; we heard about the downtown flooding issues and starting that first step of a study; park improvements as we heard from Greg D'Amour and Destiny Mitchell; the Dog Park even though it's in the works; and of course the New School Rd & Date Traffic Lights. Those are some of the recommendations that have been made in addition to some of the projects that aren't complete from the previous list. The 2018-2022 projects list was presented to them for this year's projects are included in the agenda packet. They are not listed in any priority. He gave an overview on the projects on the list for 2018, 2019, 2020, 2021, and 2022. Some of these projects were recommended by the study from T & D. He asked the Commission to prioritize these projects starting with 2018 and let them know if you want to delete you can and adopt the Resolution to update the database.

Mayor Green said the last eight years he has been groveling for money with all of the different City Manager's and he feels City Manager Fuentes is one of the best. They want to see projects that are "Shovel Ready and/or Engineer Ready". We will also have a new Representative who will be elected and we need to try to be as smart as possible to give them projects they can be proud of. And if there are any Capital Outlay projects, what will be ready. He asked about the Airport Fuel Farm, he thought that was FAA Funding and asked why it's still on our list. City Manager Fuentes responded it's still a high priority for us to complete that project, it could be funded in phases if it cannot be funded as a whole project. Mayor Green also asked about our Water & Wastewater improvements and why we would put that on our state list. City Manager Juan Fuentes said we still put it on that list to show these are all of the projects we are working on. And if for some reason we don't receive all of the funding we need and we need to go to the state level for funding, then it will be on our ICIP. We were partially funding for the Wastewater Treatment Plant and we were able to ask for state funding.

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Mayor Green said if you were a chairperson on a committee in Santa Fe. Could you make the case that the Regional Safety Complex/Animal Shelter is shovel ready? City Manager Fuentes responded we have already received funding for the Animal Shelter Phase 1 and the county has also. Phase 1 will be done. Once it's done the other side of the equation is the law enforcement complex. They are asking for regional efforts among entities for funding.

Mayor Green asked if we know if the county has done any engineering surveys for a detention center. He knows it's a financial drain on us to take them to Deming. He's hearing the C & D Landfill will not be shovel ready because they haven't identified a piece of property to get money for. We have no land around our airport or that the county has where we could partner with them. City Manager Juan Fuentes added it is Land Acquisition that we need to get funded. The county did provide us with their list of priorities which include the Detention Center, Road Improvements; and the C & D Landfill. In regards to the C & D Landfill, he put the phase 1 as the land acquisition, because if that is the top priority for the Commission and the County then the project lists we will go after it. We would have conversation with the County and look into funding to acquire the property. It's difficult if we try to do it all at once when you take that big of a bite.

Mayor Green said he would hope those in Santa Fe would try to cross reference the community's needs as well as the County's needs. He said you have heard the recommendation from staff and asked if anyone wanted to start with their recommendations.

City Manager Fuentes said we have to prioritize these for every year. Mayor Green asked if he has gotten a sense in his travels, as to what type of projects they are looking at funding. City Manager Juan Fuentes responded they are looking at funding infrastructure projects for Water & Wastewater. It's difficult to get a park or building funded when a water tank is almost dry for example. As the Mayor mentioned, the Governor is looking at the shovel ready projects and a lot of communities are doing the planning. The Wastewater Treatment Plant and Cook Pump Station are the kinds of projects he feels they will consider for funding. With the funds as tight as they are in the state, they are not going to have much money for funding capital outlay. Our best bet will be going after the funding agencies like the Water Trust Board or USDA to find ways to finance these projects.

Mayor Green stated his proposed priorities which included:

Project Year 2018

- 1 Regional Safety Complex/Animal Shelter Phase 1
- 2 Wastewater Treatment Plant Phase 2B & 3
- 3 Cook Pump Station Improvements
- 4 Airport Fuel Farm
- 5 Regional Detention Center
- 6 Construction & Demolition Landfill Phase 1

7 Electrical Feeders Upgrade

Mayor Pro-Tem Whitehead asked to put the Downtown Drainage Improvements on 2018. She asked to just add it. It's vitally important and every year we have the same problems.

8 Downtown Drainage Improvements

Commissioner Hechler would like to prioritize those things we have the best chance of funding first. And he thinks he's done that with this list.

Mayor Green added with that being said items like Citywide Broadband, even though we might need it, it has nothing to do with water and wastewater. He submitted the following for 2019:

Project Year 2019

- 1 Regional Safety Complex/Animal Shelter Phase 2
- 2 Water Line Replacement
- 3 Storm Drain Improvements in Downtown
- 4 Construction & Demolition Landfill Phase 2
- 5 Pole Replacement Program

City Manager Juan Fuentes recommended to include the citywide drainage after the Downtown. They agreed to make add that to the list. The revised list is:

- 1 Regional Safety Complex/Animal Shelter Phase 2
- 2 Water Line Replacement
- 3 Storm Drain Improvements in Downtown
- 4 Storm Drain Improvements Citywide
- 5 Construction & Demolition Landfill Phase 2
- 6 Pole Replacement Program

Commissioner Hechler asked City Manager Juan Fuentes where the C & D Landfill is on the County's list. If we can show we are just as committed to their priority, we might get more interest in that. City Manager Juan Fuentes responded the county C & D Landfill was listed as number 5 and we have it as number 6. Their Detention Facility is listed as number 3 in 2018. Mayor Green asked if everyone is comfortable with that.

Mayor Green went on to 2020, he asked why we have a Transfer Station on the list for that year. He asked if it might be a hold over until we get that bond. With everyone's permission, we can just cross that one off. He asked what Well Water North is. City Manager Juan Fuentes notified them even in our water study there is a recommendation to develop a well on the North Side and that's the whole purpose of that, which could be used to extend services to the Airport. Mayor Green asked if it

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would be a source of water for the Golf Course. City Manager Juan Fuentes responded it would be an additional source for the Golf Course.

Mayor Green suggested:

Project Year 2020

- 1 Capacitor Upgrades
- 2 Water Tank Repair
- 3 Water Well North
- 4 ADA Restrooms for Armijo Park
- 5 Senior Citizen's Complex

Commissioner's agreed with that order for 2020.

Project Year 2021

- 1 New & Upgraded Circuit Switches
- 2 Battery/Enclosure Replacement @ Substation upgrades
- 3 Effluent Water to Cemetery

Project Year 2022

- 1 Corona & Camino Del Cielo Underground Upgrades
- 2 South Broadway Sidewalk & ADA Curbs – Expansion and continuation of what we are doing now.
- 3 Library Expansion

Commissioner's agreed.

City Manager Fuentes added the priorities that have been listed and the years they are listed under does not mean we can't move on those projects. If an opportunity presents itself we will move on it quicker.

Mayor Green said if everyone is comfortable, whoever makes the motion make it as agreed upon by the Commission.

Mayor Green moved to approve Resolution No. 06 16/17 adopting the 2018-22 Infrastructure Capital Improvement Plan (ICIP) as agreed upon in discussion. Commissioner Frankel seconded the motion. Roll call vote was taken by the Clerk. Motion carried unanimously.

2. Discussion/Action: For publication ordinance change proposed by the Public Utility Advisory Board for Discounted Utility Rates for large businesses. George Szigeti, PUAB Chairman

PUAB Chairman Szigeti said they have been working on this issue for a number of months. In the current ordinances there is a provision to provide a discounted utility rate for large businesses. From the time that was actually adopted our rates have increased and instead of updating that rate we figured using a percentage value for the

discount would be more appropriate. This way we wouldn't have to continually update it. The other issue was the discount only applied to a business who have ten or more employees. With the current practice of reducing the number of full time employees and replacing them with part time employees, we figured that might be a more difficult goal to achieve. So they did two things, they changed the number of full time employees to 8 or we added a provision where any combination of full time and part time employees where the total weekly payroll is more than 500 hours, that gives them more flexibility to qualify for these rates. They are also looking at discounted rates for small businesses. However that issue has become quite contentious and they are still knocking that around. They would like to go ahead and get the large businesses in place before they continue. The discount would be 20% of the total utility bill for the business. They wanted to make it something that was substantial enough to be attractive but not so large that it would be hurting our utilities. So that's the reason they put in the 20%. This would apply for the first 18 months that the business is in operation and it would also require the business to stay in the city limits for 36 months to qualify. If for some reason they closed the shop or move, they would have to refund the discounted utilities. Since they brought this forward, Mr. Wittern brought up an issue that this may conflict with some of the rulings with the bond ordinances that may not allow us to provide a discount. We may need to look at the rulings for that to make sure it's not a conflict. But if we can't discount the utility rates, we could reword this so we could refund the 20% to clear that hurdle if that becomes a problem.

Mayor Green asked under definitions Eligible Large Businesses it states: *Any manufacturing, industrial or large retail business that employs 8 or more full-time employees or employs sufficient full- and part-time employees such that total payroll hours exceed 500 hours per week.* He said if you have an employee working 40 hours and you have 8 full-time employees, which is not 500 hours. He asked how they came up with the number of 500 hours. They wanted to make the number higher than the total of 8 full time employees which is 320. Originally, they had the requirement of 10 full-time employees and they set the 500 number of hours. When they reduced to 8 full-time employees, they should have reduced that number also to something like 400. Mayor Green said in his opinion does this have to go back to the board for their approval. Mr. Szigeti said that is not necessary, this is the board recommendation and if the Commission would like to put in something more likeable, they are not going to argue about that.

Commissioner Hechler asked if it's possible they may have 4-5 Full-Time and may hire a few Part-time employees. Mr. Szigeti said when they started out it would have been 100 more payroll hours for and equivalent of 10 full-time employees so that would have been a little higher. Commissioner Frankel said with small businesses they pay their employees and hardly pay themselves when they are the hardest workers. He feels we need to make sure the Owners of the small businesses are counted as part of the full-time employees. Mr. Szigeti said particularly the retail businesses, the Managers are sometimes the only full time employees. Commissioner Hechler also asked how this is presented to the business. Is it in the form of a contract? Mr. Szigeti said he believes

that is in the ordinance on paragraph 2.c where the agreement will be formalized via addendum to the customer's contract for the city utility services.

Mayor Green moved to authorize staff to proceed with formatting the ordinance and taking it to legal and bringing it back to the Commission in a timely manner with amending the hours to 400 hours per week. Commissioner Frankel seconded the motion. Motion carried unanimously.

H. UNFINISHED BUSINESS

1. Discussion/Action: To accept and approve the Water Conservation Plan. Traci Burnette, Grant Projects Coordinator and Sarah Garduño, Engineers, Inc.

Grants Projects Coordinator Burnette presented the item. Before you, you have the brief timeline on the Commission Action Form. The Water Conservation Plan was started because 1) we do need one for the city and 2) it is required by multiple funding sources such as the Water Trust Board. They came before the Commission as a public hearing twice, they met briefly with a Water Conservation Board that was put together. All of the suggestions were included in the plan. The draft copy was sent to OSE in March for their approval. They have since approved it with the changes and they made some recommendations that are in your packet as well. Sarah from Engineer's Inc. is here if you have any additional questions otherwise they are here for approval as it stands.

Commissioner Hechler moved to approve the Water Conservation Plan. Mayor Green seconded the motion. Motion carried unanimously.

2. Discussion/Action: Acceptance of donation of property to the city by Catherine and Marcia Burford and authorization to pay the outstanding taxes. Juan Fuentes, City Manager

City Manager Fuentes presented the item. At the August 9th meeting, the Commission asked what the property value is. The Sierra County website shows the full value of the land at \$61,587 with the taxable net value at \$20,529. Our Legal Counsel estimates it will take about \$3,000-\$6,000 for a quiet title lawsuit. Taking into account the expenses and staff time we have already put in and value of property, he feels we would come out on top if we can get at least 70% of the appraised value. This is money that can be used towards honoring their late husband's name with a memorial and can be used for improvements of our parks. This can go a long way if we can accomplish that.

Mayor Green said we could also turn that into a park and sell it to upgrade other parks.

Commissioner Hechler moved to approve acceptance of donation of property to the city by Catherine and Marcia Burford and authorize to pay the outstanding taxes and honor the memorial as requested by the Burford's. Commissioner Frankel seconded the motion. Motion carried unanimously.

3. Discussion/Action: To accept and approve a Project Development Agreement (PDA) to allow Yearout Energy Service Company (YESCO) to perform an Investment Grade Audit to integrate Automatic Reading Water and Electric Meters for a Self Funding Energy Performance Contract Under State Contract 15-05759. Pursuant to NMSA 1978 6-23. Juan Fuentes, City Manager

Mayor Green recessed at 10:28 a.m. and reconvened at 10:32 a.m.

City Manager Fuentes gave a presentation which will be added to the Agenda Packet. He stated he wanted to take a different approach since they have heard from Scott Griffin numerous times. This has been an ongoing project for over a year. He has asked staff to chime in and show their findings from site visits. He gave an overview of the site visits they made including Silver City, Roswell, Aztec. We are talking about Automated Meter Read (AMR), we are talking about the touch breed which is walk by and most commonly out there in communities now; or a mobile system which is drive by. Then you have the Automated Metering Infrastructure that's referred to as AMI; then you have the hybrid system that is AMI. Staff will share to details of the hybrid system which Aztec has and he showed a sample of their hybrid system. The most advanced is through the internet system and it can all be controlled by the Utility Office and Manager. The aging of our current Meter Reading System is not as accurate anymore as time goes by, with the aging equipment and they need to be replaced. He showed a slide with the details of how many meter readers we have now, including the number of miles driven and the number of steps taken by the meter readers. We have four billing cycles and one Meter Reader Drives 3-4 miles daily. Some of the obstacles they encounter are: Aggressive dogs; outdoor elements; snakes and spiders in the meter cans (a previous employee was bitten twice causing him to seek medical attention); locked gates; cars parked on meter leads, etc.

Silver City was the first to use Qualified Energy Conservation Bonds to convert their existing system to an AMR Driveby System. YESCO performed an investment grade audit and they found \$264,754 in additional revenue for the town. Because of the hills in Silver City there was a challenge to go with anything but the drive by system. They were still able to recover some lost revenue due to the aging of their system. YESCO designed and managed the project with no change orders. He went with the city of Roswell and met with the Water/Wastewater Director who is also consider a similar project for the city. They have 19,000 meters and 19 meter readers. In the early stages, they have met with the vendors and the preferred method for them is a turnkey project like Silver City has because they don't have the technical staff to put it in place. For the City of Aztec, they have a similar population and they have water and electric like we do. They have one Meter Reader that reads for both water and electric. And the reading cycles only take four days. They started the process back in 2000 and they have a hybrid system AMR & AMI and has been in place for a while. He asked Electric Department Director Easley and Christina to give their presentation.

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Electric Department Director Easley and Electric Dept. Admin. Assistant Bruch went over some of the obstacle's our meter readers go through in the field. They encounter dogs; fences; vegetation; meters inside buildings where people have added on and they are enclosed; locked gates; some have to be read with binoculars where there is no access; and we have some customers who have six foot fences who give us a key but they have dogs and we don't know if we will get bit or not. Electric Department Director Easley showed a set of the meter reader's keys they need for access and there are some residents where they still don't have access. It's not our responsibility to move the meter it's the customer's responsibility.

Mayor Green asked when they don't allow access to the property, how do we get the reading. Do we have to guess it? Electric Department Director Easley responded usually the meter reader will have to call them to let us in the gate or Sonya will help them call to read it. Every month we have to do it over and over again. The meter reader's average 200 reads a day, during the holidays they have to read more meters to keep up with the billing cycles. There is extra work if one is on vacation or sick. They read meters every day and the average is six walking miles a day and they are exposed to injuries while reading. The benefits of the Automatic Meter Reading system are the benefits of the short time period; not exposed to as many hazards; less walking; allows them to assist line crews on project; more accurate; no need to go into homes for readings.

Electric Department Director Easley continued with the City of Aztec's system. It was very nice. They downloaded two books for them inside the Utility Department when they were there. The meter reader plugged into the docking system and it powered up and it started reading right away and read 82 meters from not even moving. Mayor Green asked if it was put in by YESCO. Electric Department Director Easley responded it was ITROM.

Commissioner Hechler asked what the percentage is of the houses that are a problem. Electric Department Director Easley responded quite a few. The water department is out front and the Electric is different because you have to go around to the back side and there are more obstacles. Last month one of his readers was pinned against the fence by a dog and had to call another reader to come help him. Mayor Green asked if the job required two meter readers. Electric Department Director Easley responded that was correct. Commissioner Hechler asked if we still require a meter reader with a new system. Electric Department Director Easley said it depends on which way we go. If we did the driveby, Aztec has one meter reader who does both water & electric and he can help with other things like line locates and other duties.

Commissioner Frankel said it sounds like we are running into a lot of code and ordinance violations with the yards. Electric Department Director Easley confirmed that is correct.

Finance Director Torres started by thanking the Commission for the opportunity to visit a municipality who showed them how an efficient, effective operation could benefit us by adopting this Smart Meter System.

Utility Billing Supervisor Sonya Williams said some of the items that caught their attention was the accuracy in billing; how efficient everything was run and the decrease in mistakes by factoring out human error. There wasn't anyone to transpose numbers, the Meter Reader did not have to record numbers, and the Clerk's didn't have to enter numbers. The increase in revenue was profitable within one year of the new installation. Customer complaints dropped from 5 a day to 5 a month. The readings were consistent for water and electric and their billing went from 6 cycles to 1 cycle a month. This would help us go from our 4 cycles to 1 cycle. They were able to identify the frequent Non-paying Customers by using a System called the Night Hawk System. This helped them regulate the service that was controlled inside the office.

Finance Director Torres talked about the Night Hawk System. This is basically a data system that identifies the non-paying customers. It's controlled in the utility office and they can turn on and off the utilities. Mrs. Williams added in the same system they could set it where it would go on and off at 30 minute intervals for those who didn't pay their bill. We have a lot of that who we call Red-Taggers who are on oxygen or have small children. You could set it for the 30 minute intervals until the bill is paid in full. Finance Director Torres continued one of the things that caught their attention is this can all be done in the office and would eliminate the 2 hour call out which can require overtime. The other successful attributes for the system were Time Management and Desk Audits. This helped them to be proactive on their day to day operations and incorporate customer service. This also gave them necessary tools to evaluate positions when they became vacant. At the Aztec office, the Utility Department had 4 personnel and went to 3 personnel and one was dedicated to MVD. Also they have 1 Meter Reader who takes care of water and electric meter reading and who helps with other duties. One of the most important aspects is it has to be done in phases to ensure both Water & Electric are being updated at the same time. This gave both departments the opportunity to conduct audits upon installation of the new meters and making repairs at the same time. This audit has been beneficial to the Utility Office because they were able to identify inaccuracies such as, billing locations and how a meter was hooked up.

Utility Billing Supervisor Williams explained the current process with the Meter Readers. They go out and read the meters and the office downloads the readings into the computer. At this time anything that might have a Red Flag, we print that out and it could be up to 14 pages for Water or Electric. They have to go through each page to look up the history to determine if it needs another reread. Sometimes we send them out 3-4 times just to make sure. We do all of this for every cycle within a certain timeline to get the billing done. Even with that, there are still some that are missed. While we are trying to get the billing done, we are sending Readers all over to get us readings. There system was only 4 days and the accuracy alone would be incredible for all of us. Especially for the Customer Complaints and billing adjustments and rereads alone would save so much time.

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Finance Director Torres said in closing she had food for thought, Moving on is a process, Moving forward is a choice. There is a slight difference between the two. Moving on is letting things happen. Moving forward is making things happen. She respectively requested the Mayor and Commissioners to Move Forward with this project to move forward to the future. She thanked them.

City Manager Fuentes added he wanted to also touch on the budgets that we have. There are a lot of needs in the city. He showed the Water System budget. With the other projects for USDA we may need to raise our rates. The project we are applying for with the Water Trust Board application is looking at storage, chlorination, site preparation and installation of a new 300,000 gallon steel tank with connection to the SCADA system which is outdated. There is a lot of items this project can take care of and the application can be for \$1.4 million dollars which is a grant/loan combination with a city match of \$149,000 which the water fund will fund.

City Manager Juan Fuentes continued with the Electric budget. As we have discussed in the past and everybody knows, we transfer quite a bit to the General Fund. And that leaves the Electric Fund with a net loss. Part of the reason for the net loss this year is we did budget for capital purchases with their ending cash balance which we do have but there is not a whole lot carried over on the Electric side. Some of the ICIP Projects on the Electric Side, we are looking at the Electrical Main Feeder upgrades; Corona and Camina de Cielo upgrades; Pole Replacement; Capacitor upgrades; Underground Feeder Maintenance and upgrades; and TBD will be the Automated Meter Reading System. He also included the LED Street Lighting which also could be a QECB project.

City Manager Fuentes said we are looking at the ability to move forward with the next step which is only the Investment Grade Audit (IGA). YESCO did the first feasibility phase at no cost to us. The Water side and Electric side have been presented to the State Agencies and preliminary information has been provided to them. Most other communities that are looking at this funding can only do water and we will be one of the only ones that will look for a combination of water and electric. He reviewed the information presented by Scott Griffith. We are looking at an AMI or an AMR system or a Hybrid System which still has yet to be determined. According to the preliminary study there are estimated cost savings on the Water side anywhere between \$68,000 and \$163,000 and on the Electric side its \$62,000 to \$185,000. This is very important and critical because he showed them in the budget there is not a lot of room. We are going after other funding projects. But this is also a funding source that cannot necessarily pay for infrastructure upgrades like the Cook Pump Station but it can pay for the Water Meter Replacement if it generates more savings, then that additional savings can be put toward the infrastructure upgrades. In regards to the 20 year savings potential and the 20 year rebate, that is yet to be determined. This is just a suggestion as to what it could be. Silver City had a 14 year payback, other communities have less. It all depends on what fits us. This is a project still in its earlier stages to be able to proceed forward.

City Manager Juan Fuentes continued with what some of the benefits which could be the savings of \$130,000 to \$348,000. We are looking at low interest QECB's from 1% to 1.2%. Savings are guaranteed by YESCO if we go that route. It does not affect our bond rating. There is no upfront out of pocket cost to us, because we will be using our funding for other projects. The revenue generated could help fund other projects.

Next steps to take. YESCO has already gotten the ENMRD approval for both Electric and Water. The key thing here is funding has not been identified or approved. We have been talking about it for the last year and we've taken steps gradually, but we still have not identified a funding source. It's hard to proceed forward with vendors when you don't even know whether you can move forward or not. We have to determine what our priority is, the Cook Pump Station or the Meters. If we do it ourselves, his recommendation would be the Cook Pump Station. With the Electric, they have the same thing, there are the Circuit System Upgrades or Meter Replacements. If we fund with our own funding sources, the Circuit System Upgrades should be our priority. The detailed Engineering Study or PDA to be completed is only the IGA. The IGA is required if we want to be able to access the Qualified Energy Conservation Bonds. We are basically saying whatever savings we can generate through this project, is what's going to pay for the project. If we decide to proceed forward with the IGA, we can say that's all we want to do. When it comes back with the amount of savings, then we can decide if we want to take the next step. The next step could be a real Cost Benefit Analysis as they have presented. Then we will know what the actual savings is and what they are guaranteeing. That information will be very useful to use because if we decide to do it on our own and use a QECB funding source, we need to be able to say we have already done the study. At that time we can identify whether in-house would work or would we contract it out. As you heard from staff, Aztec decided to do it in-house with a phased approach. Which could work, but we need to look into that seriously at that time. Whereas, some other communities such as Silver City and Roswell preferred a turnkey approach.

Then we will go into the next steps which is review the results and contract, install, measure and verify. At this time, we are asking if this is a project worthy of moving forward. You heard from staff in regards to the visits with other communities, and if the answer is yes, then how do we fund it. All we are asking is to be able to proceed forward with that step and then after the study they will review with the Public Utility Advisory Board before the Commission to see how we want to proceed to the next step.

His recommendation is this is the only way reasonably to fund our current projects.

Commissioner Frankel thanked them for the hard work they have put into this project. He would like to encourage us to include sources of education for the public through the project. He has heard about concerns of radio waves and RFID signals and all that. And either through media or press releases to explain to them in these meetings or an open house to ensure the public this is a safe metering system. Finance Director Torres said that was one of the topics which was discussed in Aztec. One of the preventative measures they did was to market themselves during the phases they sent out marking

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messages about the concerns the community had. They gave them websites to go to for the information. So if we get approval we would also use their example of community outreach. This was basically marketing through the Utility Office, websites, identify and react to questions from the public immediately.

Commissioner Hechler said from what he understands the cost will be \$49,000 and if we go with YESCO, the cost will be absorbed in the implementation. City Manager Fuentes confirmed. Commissioner Hechler asked if we decide to do it on our own where would the funding come from. City Manager Fuentes responded we do have the funding because that funding comes from both Water & Electric. It's going to be an investment that we are going to need to do. It's a necessary step if we are going to be using QECB as a source for this project. Most of the studies we have done have been around \$50,000. Commissioner Hechler asked if there is a time frame we have after this study that we have to make a decision. He thought he heard there was a short window of opportunity to where we would have to commit to YESCO. City Manager Juan Fuentes is not sure for the entire project. He thinks the time frame they gave us was how long it would take them if they do the project. He doesn't think we would be under the gun to say once the Investment Grade Audit was completed, to say we have to act on it now. One of the things Commissioner Clark was requested was the difference of doing it in-house or contracting it out. That's what we will have to come back to you all and present that information. There has been other communities who have done that and provided the full cost benefit analysis of doing it in-house or contracting out. At the end we will know what the project is, what the cost is, whether we can do it in-house or not and how to get it accomplished.

Commissioner Hechler added so his recommendation is to do the Investment Grade Audit so we can get to the position to compare whether we want to do a phased approach in-house or hire a company to do it. City Manager Juan Fuentes confirmed that's correct and depending on the amount of savings we can decide how quickly we want to pay it back.

Mayor Green has a couple of questions on behalf of Commission Clark. First, he commented he has had the opportunity to work with seven City Manager's in the last nine years and he really respects City Manager Juan Fuentes's faith in staff to do the research and inform the Commission, so we can make intelligent decisions on behalf of 6,435 people. This has never happened before so he thanked City Manager Juan Fuentes and staff for doing the homework and going the extra mile to make their jobs easier.

Commissioner Clark's first concern is YESCO had agreed in November of 2015 to do a cost benefit analysis and where is that piece of paper? And why are they doubling down on something that they told us a year ago and now they can't give us that information because we have to spend \$49,000 for an Investment Grade Audit. City Manager Fuentes said there was some of the information that was provided a year ago where he did indicate he would do a Cost Benefit Analysis before the Electric side came into the equation. There was some information that was provided but it wasn't a full

analysis that you would expect. That's why he just presented the bullet points. Even from the very beginning, YESCO made it clear, even if you proceed forward with the IGA, it's going to be around \$49,000. If we do the project ourselves we roll that in the project. If not, then the city will pay for it. Again, right now, there are only a few companies that can do the IGA which the state has approved. In order for us to be a player in the funding source, we have to get the IGA done. The Cost Benefit Analysis is not to the standard that Commissioner Clark requested, it's the preliminary information that was provided.

Mayor Green added her other question was: besides the safety issue for staff, what does the city get out of it, if it's going to cost us \$2 or \$3 million dollars. And if the guaranteed savings will pay for the project and will have a lifespan of only 20 years. Then we've given someone \$2 million dollars to do a job that makes us more efficient and makes staff feel more comfortable in doing their job rather than worrying about being bitten by a snake or a dog. Are we just giving an outside entity business and yet we have nothing to show for it other than efficiency and safety for staff? Will we be presented with numbers showing if we can pay this back in 14 or 16 years, and these machines have a lifespan of 20 years. Then we've got some money we are generating for the city to put back into the Electrical System and Water System. What he is hearing is we can't even make any decisions at all, until we get this IGA, because that's going to lead us in a direction that we want to go to or don't want to go to.

Finance Director Torres said that was one of the concerns the Aztec Commission had, was not only the effectiveness of the system. They saw an increase in their revenue within one year in the water department. We feel we would be in that same mold like Aztec and they did this upgrade in 1998. Not only are we going to see efficient effectiveness on the staff, but also the time management, the data to ensure our billing is accurate, but well also see the revenue increase on both our water and electric side. We are pretty confident that we will see that within one year.

Mayor Green said what he is hearing is there is a possibility that the revenue generated will be higher than our financial obligation to the bond and therefore it becomes a revenue producer, rather than gain neutral. Finance Director Torres confirmed that is correct.

City Manager Fuentes added in regards to the savings, it's like you are taking out a loan and the additional revenue will be used to pay the loan and more to set aside for future funding and future upgrades and improvements to the systems. Again, if the numbers are there between \$130,000 and \$348,000 per year, and that's just the savings. That doesn't include staff hours, wear and tear on the vehicles. Right now we have three Meter Readers that cost us about \$120,000 with benefits and everything. If we can use one to do both we've already saved \$60,000 to use staff somewhere else to take care of water lines and other duties. It will save money right off the bat and it will be a project that will take a year or two years to see the implementation, it will not be overnight.

Mayor Green asked if we are required by law to go out for an RFP or are we bound to give this business to YESCO. City Manager Juan Fuentes said this would fall under a small procurement because it's under \$50,000. Mayor Green meant the job itself. City Manager Juan Fuentes responded depending on which direction we go, there are certain companies that can provide it and we would have to go out for bid for that. YESCO may be an exception to that RFP.

Commissioner Frankel moved to approve a Project Development Agreement (PDA) to allow Yearout Energy Service Company (YESCO) to perform an Investment Grade Audit to integrate Automatic Reading Water and Electric Meters for a Self-Funding Energy Performance Contract Under State Contract 15-05759. Commissioner Hechler seconded the motion. Motion carried unanimously.

4. Discussion/Action: Authorizing staff to work on a Policy for late application submittals and quarterly reports for Subrecipient Grants & Lodger's Tax awards. Steve Green, Mayor

Postponed to next Agenda.

I. NEW BUSINESS

1. Discussion/Action: Appointment to Housing Authority Board for Christopher O'Rourke. Steven Rice, Executive Director

Mr. Rice said they have advertised for over two years for a Resident Member. This position is a HUD regulation, and they have had very little to no response. Very recently they have received an application for Christopher O'Rourke. The Board has recommended that he be approved by the Commission.

Mayor Green was quite impressed with his resume.

Commissioner Frankel said he would like to go on record saying he worked with Mr. O'Rourke for seven years. He has found him to be an advocate for the people and he feels he would be a great asset to the board and our community.

Mayor Pro-Tem Whitehead moved to approve the appointment of Christopher O'Rourke to the Housing Authority Board as recommended by Steve Rice from the Housing Authority. Commissioner Frankel seconded the motion. Motion carried unanimously.

2. Discussion/Action: Appointment to the Recreation Advisory Board for Christie Conklin. Greg D'Amour, Recreation Board Chairman

Ms. Destiny Mitchell presented this item. They had a seat become vacant in July and it was advertised and the Recreation Board is recommending the appointment of Christie Conklin to the board.

Mayor Green knows Mr. Montoya has served on this board in the past and he's sure someone with fresh eyes is nice to have on a board from time to time.

Mayor Pro-Tem Whitehead moved to approve the appointment of Christie Conklin to the Recreation Advisory Board as recommended. Commissioner Hechler seconded the motion. Motion carried unanimously.

3. Discussion/Action: Appointment to the Public Utilities Advisory Board of Gil Avelar. George Szigeti, PUAB Board Chairman

PUAB Chairman Szigeti started by publicly thanking Al Siffring for his many years of service on the PUAB. We had two very good candidates applied for the position and the board decided since the other candidate did not have a strong background in Electric to go with Gil Avelar because of his past experience with the Electric Department.

Mayor Green thanked Mr. Ashbaugh for his comments sent to the Commission and he understands and appreciates the experience Mr. Avelar has.

Mayor Pro-Tem Whitehead moved to approve the appointment of Gil Avelar to the Public Utilities Advisory Board as recommended. Commissioner Frankel seconded the motion. Motion carried unanimously.

Mayor Green welcomed staff for spending their time here at the meeting.

J. REPORTS

1. City Manager

- 1) He had City Clerk Cantin give an update on the Municipal code on the website.

City Clerk Cantin announced we have a six month trial for the online Municipal Code. The previous version was just a pdf version and it is not searchable. The new link to the Code is searchable and she gave a brief demonstration of how it works. It also has the capability to search and review other municipalities and what ordinances they have. If we want to continue with this, it will be \$450 annually, and she feels we are going to find this will definitely be beneficial and worth it. She encouraged everyone to go in and check it out and provide some feedback, so we can see if it would be beneficial to have this continue after the six month trial.

City Manager Juan Fuentes added he just wanted to commend Renee and staff for taking the initiative.

2. City Commission

Mayor Green reported on the receipt of 90 trees free of charge. He thinks three will be put at the Library and we can take a look at some of our facilities and see if they will make them nicer.

Mayor Green and Mrs. DeMarino met with someone Keith Whitney, the County Assessor. They have a Metropolitan Redevelopment Ares (MRA) he is doing a survey of every building that is incorporated within the MainStreet Historic Downtown District. This will come up with how much tax that building generates and how much of the Counties portion is kept here in Sierra County. Then we will have something will be brought to the Commission through Manager Fuentes as to whether we should move forward or not. Then we would go to the County to ask them to take that generated money on their portion of the property tax and apply it and partner with the city to develop a pot of money that can be used to upgrade our infrastructure in downtown. It sounds like a great idea and it's got to be approved at the County level. We are also asking Mr. Whitney for support on if you buy a building downtown for \$100,000 and you want to make it an investment building, so you put in another \$100,000, then you will have \$200,000 in the building. They can nail you for fixing up a decaying building before you have an opportunity to rent it out. He would like to suggest to ask for a hiatus to keep the tax where it is to allow the owner to fix it up and it will make nearby buildings more valuable for either a three to five year moratorium so it can be reassessed. He feels this will encourage capital investment downtown, because right now you do get punished. He understands that's a major form of revenue for the county but we have to try to work with them now because we are the generator of the majority of the assets, such as, our Parks that county citizen's use and don't pay a dime. It's all on our shoulders and the shoulders of staff. We have a vehicle through MainStreet where we can go to the county. He feels we should have a Workshop to partner with the county to see what their appetite is for some of that revenue that is generated in Truth or Consequences for improvements in Truth or Consequences in our Historical District. He will wait for Commissioner Clark to get home to have the workshop on the agenda for the concept to partner with the County for an upgrade for the Punk Greer Rodeo Arena. So we can possibly participate in more rodeos and have more in our community.

K. EXECUTIVE SESSION

1. Limited Personnel Matters - City Manager Evaluation. *Pursuant to NMSA, 1978 10-15-1(H.2)*

Mayor Pro-Tem Whitehead moved to approve going into Executive Session at 11:49 a.m. to discuss Limited Personnel Matters - City Manager Evaluation. Pursuant to NMSA, 1978 10-15-1(H.2). Commissioner Frankel seconded the motion. Roll call vote was taken by the Clerk. Motion carried unanimously.

Mayor Green stated that the Commission was now in Open Session at 12:52 p.m.

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Mayor Pro-Tem Whitehead certified that only matters pertaining to discuss Limited Personnel Matters - City Manager Evaluation was discussed in Executive Session and no action was taken.

L. ADJOURNMENT

Mayor Pro-Tem Whitehead moved to adjourn at 12:53 p.m. Meeting was adjourned.

Passed and Approved this 13th day of September, 2016


Steven Green, Mayor



ATTEST:



Renee L. Cantin, CMC, City Clerk-Treasurer