

MINUTES OF THE JOINT AND REGULAR MEETING  
OF THE CITY COUNCIL OF THE CITY OF RUIDOSO DOWNS;  
VILLAGE OF RUIDOSO VILLAGE COUNCILORS AND THE JUAB BOARD  
NOVEMBER 26, 2007  
2:00 P.M.

The Council of the City of Ruidoso Downs met in a joint and regular session of The City Council of the City of Ruidoso Downs; Village of Ruidoso Village Councilors and the JUAB Board on November 26, 2007. Pledge of Allegiance was recited.

Mayor Miller called the meeting to order at 2:00 p.m. of the City of Ruidoso Downs. Mayor Miller asked John Waters, City Manager to take roll call. The following were present:

Councilor Hood  
Councilor Holman

Councilor Miller  
Councilor Garrett

John Waters, City Manager informed Mayor Miller there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer  
Steve Dunigan, Planning & Personnel Services Director  
Alfred Ortiz, DPS Director  
Mark Lewis, Acting Public Works Director  
Jay Smith, Museum Director  
W.T. Martin Jr., City Attorney

JUAB Members present:

Mayor Nunley  
Mayor Miller

Dan Higgins, Village Manager  
John Water, City Manager

Village of Ruidoso Councilors present:

Councilor Williams  
Councilor Rebstock

Councilor Cory  
Councilor Stoddard

Councilor Shaw and Councilor Hardeman were not present. Mayor Nunley stated they had a quorum.

Others present were:

John Ramos, RWWTP Director  
Kenneth Mosley, W/WW Director  
Irma Devine, VOR Village Clerk  
Bertha Polaco, VOR Deputy Clerk  
John Underwood, Attorney JUAB  
Dan Bryant, Attorney VOR  
Randall Camp, VOR Public Works Director  
Adelmo Archuleta, Molzen-Corbin & Associates  
Carl Kelley, Carl Kelley Construction

Mayor Nunley stated the first item on the Agenda was Discussion and Possible Action of Choice Design Alternative for Wastewater Treatment Plant. Del Archuleta with Molzen-Corbin & Associates said John Waters did not ask him to make the presentation like he did for the Joint Use Board, a couple-hour presentation but he was happy to discuss and answer any questions. He said he had previously made the presentation to the JUB and at that time there were three different alternatives, two major alternatives and all of them fit on the footprint of the existing plant. He said there is the issue of the Forest Service and that bisects the land. He said he had a picture. Assuming the permit is renewed both Alternative I and II both fit on the site. Alternative III omits the tertiary culprits and is less structure so it certainly fits on the footprint. Alternative I, which is the clarifier alternative, takes a lot more land and is much more crowded than Alternative II and III. He said that is by nature and those alternatives are incorporated by the MBR process and that could mean a lot more land. All of the alternatives could fit on the existing site assuming the Forest Service permit was reissued. Mayor Nunley asked for more clarification. Del Archuleta said all of the alternatives have a common entrance port. That is where the breakwater comes in and you have a pump station. You have a pump station, flow measurement, and entrance port. It pumps sand and things like rags that come into the plant and turn it into common flow measurement. The big difference in Alternative I is called the Barton Fold Clarifier Alternative. He said here we have a Barton Fold Secondary Treatment Facility, which is designed as a light standard aeration base within the PER. He said that station has to get a lot bigger because of bacteria that was growing in there, had to be specialized and had to be kept going for a longer time. Del Archuleta said so much so that we actually add methanol. It is a food source at the end of the process to give them food to keep on going and to keep the levels as low as we can. That treatment in the aeration basin is not too different than what you have now. It's a different kind of basin but kind of similar to the operation now. He said it would have two clarifiers worth of solids that treat what is going in there and are separated out. They are great big round structures about 70 feet in diameter, very land intensive but similar to what is being operated now. That's the reason we came up with that alternative was because it was similar but was much

more sophisticated in terms of the nitrogen removal that's involved. From there the water goes through a final screening system which is MBR. Those MBR's are there where we would add, we're going to be taking out some of the phosphorus in this Barton Fold process, but there are tertiary filters here, tertiary membranes which serve to take out the phosphorus by adding what's called alum to the water. It coagulates the phosphorus and then there's a filter that stops that phosphorus from getting out into the water. The water then goes on to ultraviolet disinfection and then on to the river. This process is the biggest difference between Alternative I and II is because of the big clarifier and is land intensive. The solids process is going to be the same in all of them where it will be aero-digester and recall that we've ordered equipment. We've ordered the fiber belt thickener and the press, the filter press that is being manufactured right now in Texas. Currently you are renting that equipment. That will now be the new building over here for sludge treatment. Something that is very important that we have to do in this process and in all of the alternatives is once we are treating that sludge; there are liquids coming out, there is water, and there is solids that are coming out. The liquid has to be treated again with alum to capture the phosphorus to get squeezed out of the sludge to make sure it doesn't come back into our process that we just removed. So it's a little more complicated but is common in all three alternatives. Del Archuleta showed members the diagram of Alternative I and showed how tight the facility was against all borders. He said it was a little more costly to build a facility like that but he again said it was similar to what is being operated right now.

Alternative II uses a membrane to do the treatment all the way through. So the water comes in. He said something he didn't mention in Alternative I, an equalization basin are going to be utilized to get a steady flow to the process. Right now what happens to the wastewater comes in, in the morning when we take a shower and fix meals and we see a high flow around 9:00 to 10:00 from all that activity. Throughout the day there are surges coming into this plant due to this type of activity. In order to get down this low, the nutrients we have to get down in this plant, Dr. Stansell and the computer model he ran, we make the assumption that we can use the equalization basin which are the old basins that are there now to give the plant the steady flow. So, if high flow comes in we're going to store it in the existing equalization basins and then as the flow goes down you'll feed water out of there to make up with the rest of the effluent to give a steady flow all the way through. It's very important that bacteria, when you're trying to get that low, that you're getting a steady amount of food all throughout day. So, we're trying to give the bacteria every chance to get down the flow. That's this equalization basin. In here the process is now reduced quite a bit because we now have what is called membrane filters in there and so we still have a certain retention time when the water comes in contact with the bacteria as depicted by the model. But now there are those big 70-foot diameter clarifiers where we're able to use filters to filter the bacteria. They are contained in the same basin and there is no need for the big clarifiers. Alternative II is much friendlier to the site because it doesn't use every square inch of

the site trying to make up for the clarifiers that have to be placed there. Also, the needed administration building and some of the pump rooms are built within the same structure as where the membranes are, inside the building. It's sort of nice being inside one big structure. The water then goes on, and currently there's a second set of tertiary membranes. Behind these membranes there's a second set. The reason for that set is you have to get the phosphorus down to .1 . If you have to get phosphorus down to .1 there's a water plant that gets built on the backside, a water treatment plant behind the wastewater plant that second set of filters. So what happens in those filters is there is what is called a rapid mix where we add alum. That is something that takes the phosphorus in the water and coagulates it and makes it into clots, a clump if you will of phosphorus and other ions. Once these are compacted we mix it, like blend it and then once it becomes clot you take it through what's called perimeter flow, or coagulant flow where we're very gentle to get the stuff out. Any phosphorus that's left here gets caught by those filters in that water plant. There's a very good chance as seen in the model we're adding alum in two or three different places and this can get very technical but having to do with relationship between the mold alum and the mold phosphorus we're trying to take out. The point is this, we're probably going to get the phosphorus down as low as .1 although the mixing in here is not as conducive as it is in those filters over there. Rapid mix, coagulant flow, very dense will hit that clot and get it out. In here is where you add alum and it's getting stirred all the time. Assuming that the chemical comes in contact with all the phosphorus there's a very good chance that we'll get most of the phosphorus out right here.

Del Archuleta said Alternative III says we'll forget about the tertiary membrane and not build those right now depending on whether you're going to the river in the future or whatever you're going to do with the water. Therefore to get rid of the tertiary membrane and create an alternative less expensive than Alternative II by getting rid of tertiary membranes. The solids process is all the same in all three alternatives. Alternative I and II are higher rated because they have that second set of filters. In terms of two filters are better than one, there's no doubt about that, but he said Alternative III is very good in terms of what you're going to get. Remember the spirit of the whole settlement agreement is we're going to build something that you enter a limit, a fixed 6-milligrams and 9-milligrams per liter we're going to steady the health of the river and we're going to look at other alternatives and we'll get it down to one quadramillion if it ever has to be. We're hopeful that we'll get the nitrogen down to as low as 3 milligrams per liter or so, the phosphorus down and there will be little or no element production of phosphorus into the river itself. So, Alternative III gives you the availability of being able to decide what kind of tertiary process you need on the back end. Basically the cost is in the report, Alternative I was about 38 million dollars, Alternative II was 43 million dollars, and Alternative III was 36 million dollars. With that he said he was ready to answer any questions.

Councilor Cory said it appears there is some recommendation and question on Alternative III relying on emerging technology. First of all the active use of alum, does that create any additional discharge quality issues in another sense he asked? Del Archuleta said no, the only thing you have to be concerned with was alum sludge. Once we use alum it changes the characteristics of the sludge so we have to make sure the sludge treatment equipment is prepared to handle that kind of sludge so the belt and the belt crest has to be a certain kind of fiber. As far as the water going out, absolutely not, elements used in water treatment plant, for drinking water. Councilor Cory said the biggest concern he personally had relating to his first observation was embarking on a 40 million project where we're not controlling the underlying land and that issue is from the engineering aspect. He said he had grave considerations about when and if we could lease or buy that land. Del Archuleta said what they recommended at the JUB meeting was that you take this on in two phases. Phase I-A and Phase I-B. In Phase I-A would involve construction of all the sludge facilities that are not in Forest Service land and the UV facilities because when you go to build Phase I-A, all the liquid portion, we have to get rid of existing chlorine facilities. You have to clear that land area in order to use that land. Phase I-A is something that is going to be needed to house that equipment that is on order that is going to be shipped next week. It will allow that equipment to be put in place two years ahead of when the rest of the plant is going to be ready and will save you the rent on that equipment. Del Archuleta said that is why he broke it up, number one it needs to be done and number two if you're not going to go forward a meeting to deliberate on which alternative you're going to go with, you may want to proceed on Phase I-A. Councilor Cory asked Del Archuleta to follow up and confirm that Phase I-A was going to cost 7 million dollars. Del Archuleta said yes. Councilor Cory stated that they would then run the risk of spending 7 million and the Forest Service ultimately may not lease the land and we may not be able to buy it. Del Archuleta said that was correct and would be a risk and that would make Phase I-A a very bad idea if you're never going to use this site. If you're going to use this site in the future what Phase I-A does is build those facilities now because they're not on Forest Service land and get a jump-start. The only time it becomes a bad one is if you're not going to use that land and if that's the case it's back to the drawing board because now you have a different point sources into the river, new land from the existing.

Mayor Nunley asked if the land would be used in Phase II and III. Del Archuleta said yes and all of this assumes that you're going to use Forest Service land and is going to be acquired because there is no way you can build this plant on the site without it. He showed a diagram to the members and said it shows roughly half being on Forest Service land. Mayor Nunley said according to Buck Sanchez, who also told Dan Higgins, the probability of purchasing that land was good.

Councilor Holman said relating to what Councilor Cory has eluded to he thought in order to keep things as simple as we can and to try to eliminate a process as soon as we can, Alternative I would not give us room in the future unless negotiations would be with the Forest Service to purchase more. He said maybe we could eliminate that option in a hurry and simplify this whole procedure and try to get down to as few as possible to deal with. He said he visited with the City Attorney on this land issue that is extremely important to what we do here. He said he thought we would certainly want to leave ourselves room for expansion and would like our City attorney to make some notes on the issue of the land lease.

W.T. Martin Jr., City Attorney said he thinks at least members of the Councils were aware that an offer has gone out to the Forest Service for potential purchase and he didn't think we'd heard back yet. He said he had the impression that the Forest Service was favorable on the idea of selling to us. He said he didn't think the Forest Service was interested in owning property that half the wastewater plant sits on. He said there was some incentive on their part to get it out of their inventory and get it where it ought to be. Mayor Nunley said when we get this issue completed and we get that land in our name he was not real interested in going back to the Forest Service and getting more land. Councilor Shaw apologized for being late but said she had a question. She said she heard Del Archuleta make a comment when she came in that there was a good chance that it would clear up the phosphorus issue. She asked what his definition of good was? Del Archuleta said it was being done right now in buying these pumps. From an engineering perspective, and if he was being asked, he would guarantee it would get down to .1. There is no doubt that the second set of filters is better than one because the engineering that goes into that water treatment plant is designed to take that component out of the water. However, he believes you can add enough alum in the process. He said it is being used a lot in Japan and is the latest thing in the United States. Many have gone in over the last three or four years, now they're the big wave mostly because of land issues. In Japan these things are inside office buildings down in the basements treating wastewater for office complexes. The dynamics inside that first set of filters are such that the objective is to be doing wastewater treatment and you're adding into a basin continually. So, in the second set of filters you build a clot and treat it very gently, it's to protect that clot so it stays together. In the first set you're going to agitate it, break it up into smaller clots. Kubota, one of the manufacturers of equipment in Enviroquip has told him at a national conference that they will guarantee it will be at .1. He said as the project advisor that certainly two sets of filters are better but he was pretty confident.

Councilor Garrett said if she understood right they would have that ability in Alternative III at a later date placing our hope that it's going to work and if it doesn't the area will allow that to happen if we have enough room and if we have enough space. In Alternative II it doesn't give us anything and isn't good space wise either. Del

Archuleta said Alternative II has a full set of filters and Alternative III if you don't build a second set of filter you can always build them later where we can go and make sure the very content of Alternative III will take out the phosphorus. You can always go to Alternative II simply by adding the filters. On the other hand Alternative II, there is a different technology other than a second set of membranes, it affords you the ability to put that on there. He said he has to keep stressing that the partial settlement agreement is written with that in mind that there would be research done. He said with the best effort we're in this together. Ron Curry came and said we're going to work side by side with you and he said it really gave the community a lot of flexibility.

Councilor Rebstock asked what percent of this project was an increase in capacity? Del Archuleta said we have always in Phase I had additional capacity including the flows. Part of our challenge has been that we have not had an influent flow meter. Most of the data has been based on the affluent so it is mitigated and based on the highest flows on a Labor Day weekend. But based on the data we have and based on peak months. On an average there is additional capacity for 5000 more people at the 2.7 million gallons per day flow rate. Taking that as 5000 people, .5 million gallons divided by 2.7 is roughly twenty percent. Councilor Rebstock asked why his team has not reduced leakage process, that he mentioned it in one sentence on the slide and then never discussed it. Del Archuleta said because they were told that taking water out of the river was not an option. Councilor Rebstock asked when he was told that and who told him that. Del Archuleta said in all the meetings he's come to and the development of the PER. He said the time the gentleman from Mescalero got up and asked about growing alfalfa on Mescalero land and he believed John Waters asked if that would be a good idea and Del Archuleta said absolutely. You can take water out of the river and do primary treatment and secondary treatment. You have a 20-year agreement to take that water no matter what day what time of the year assuming the water rights are okay. For water rights reasons and litigation reasons the water has to stay here. He said no less than twenty five times he asked, "Is that still the case?"

Mayor Nunley said one of the reasons they are here is to pick one of the three alternatives and is for funding the waste plant and that they need to do by December 1st. If in fact we change the source after that date as long as the engineering is there and the alternative is not going to work we need to pick one of these alternatives to get money to start. Construction needs to start by December 2nd. Del Archuleta said in the PER it talks about being able to use it on the golf courses or to find a use alternative for the water. The treatment in Alternative III, you're not doing much except with the phosphorus using the alum that you would have to do anyway, even in typical golf course irrigation. The treatment that you're doing in Alternative III, the problem was if we can go around that section of the river, can we go all the way down the other side of the point of this permit and discharge there? The problem is you have to remove nitrogen down to a certain limit. Certainly we're not putting anything in this plant that

is not required for a drinking water recharge or something like that. As far as land application the point was you have to bring the nitrogen down pretty low, not as much as in number one and then have the infrastructure rebuilt to use, so it's not considered to be cost-effective. We were given direction that the water has to stay in the river. He did not think it would be cost-effective anyway in terms of consideration to the PER. Now, if you go to reuse that water, if you have to take out the phosphorus, in Alternative III you're not doing anything more than you have to do anyway or in any of the other options you're considering. The problem here is if you didn't have phosphorus removal, getting a permit like most communities in New Mexico, getting the ammonia down to a certain level, you're probably talking about \$12.00 per gallon. You're talking about a 32 million dollar plant. No real significant modifications have been made to that plant in thirty years and that's our real problem. The rest of it is really the eye candy, the next 5, 6, 7 million is the tough permit. The rudiment of this plant is that you're doing what everyone else is having to do and then some.

Councilor Cory asked if all three of these plans will increase capacity? Do they accommodate even in the future, even number one? Del Archuleta said that was a very good question. The aeration basin in light blue in the diagram is the additional basin that will be required in the heart of this plant. We're recommending that all the peripheral walls be built right now because it's easier to have the cost in there now to do that. This will add another .9 million gallons which is equivalent to about 90,000 people in the future. The same is true with the digester, we're building the peripheral walls now, none of the interior walls, those will be added in the future. Everything else, the screens at the beginning of the plant, great big mechanical bar screens, they're being sized for ultimate capacity because it would be senseless to put in a smaller unit because you'd have to take that out and replace it with a bigger unit. Everything is sized for future flow and even the peripheral walls are being built. With the amount of infiltration, and something he said he's been saying for the last four years is the smartest thing you could stand in this town is define the infiltration and hopefully it would be located in place where you could take it out. Hopefully the future phase will never be required if you can get the infiltration in. It's about a half a million gallons, the estimate is what we see in the dilution of the wastewater as well as the nighttime flows.

Councilor Stoddard said the land issue doesn't seem to go away in his mind because he hadn't heard an answer about the land. He said he knows they have to vote on one of these issues today in order to get the funding. He said if federal land is not going to be available to us there is some land across the river that is for sale. He asked if the land across the river, and he didn't know how many acres there was, but was it big enough to build this plant if we couldn't buy the present land that we need under the present format? Would it be capable to handle this plant if we have to move across the river? Del Archuleta said yes, based on what he's heard, based on the land mass it was lower land but you could mitigate the problem with flooding by building higher walls. The

problem will be that you have to write the PER and give them vital information about any other piece of property besides this one. The process you've been through you would have to start over.

Councilor Cory said one of his concerns still, he attended the same meeting the Mayor and Mr. Barton were at with the Forest Service and said we didn't get a clear answer on what environmental studies the Forest Service were going to undergo for the potential sale of this land where we're at now. W.T. Martin Jr. said what he recalled from that particular meeting was a discussion centered around the plant already being there, in place with a history and usage of that land. There was some thinking if he understood correctly that the Forest Service would not have to go through some of the studies that they might otherwise have to go through and that it could be avoided. He said he wasn't sure there had been a firm commitment but certainly the tenure of the discussion he heard that he was left with the impression that the Forest Service didn't think they would have to go through the level of environmental studies that one might expect under the circumstance. He recalled it came from their attorney.

Del Archuleta said when you do a PER it is a certain form that is required by most state agencies and federal agencies in New Mexico and it incorporates an engineering study and then there is an environmental company that is hired on a parallel basis of the engineer to do what is called and environmental information document. He said you have paid for both of those. After that document is done independent of that engineer, all of that information is wrapped together with the public records and is submitted to the appropriate agency for them to do a corresponding environmental assessment. That has not been done on this project because New Mexico Environment Department called for maintenance on this project and they told you they were going to put it on hold. Now they're ready to pick that back up and do the environmental assessment. If you move to another site it's not impossible, you just have to do the environmental information document, get it ready for whatever agency is going to do that, the Forest Service, the EID, it will probably be both of them, or whomever, it's just the ground work for them to do their mitigatory environmental assessment. Then they determine whether to do an impact statement. Mayor Nunley asked if we had to do another PER? Del Archuleta said definitely. Mayor Nunley asked how long it took to do the other PER? Del Archuleta said it took an inordinate time because when you started out asking it to do one for 1 milligram per liter phosphorus because you were going to do wholesale trading and then you changed it to .1 so it took about three years. But, we were started and stopped, and then you were put on hold for a year and a half or so. Their answer indicates probably about nine months.

Councilor Holman said to keep in mind, and during the meeting when Ron Curry was here, he did say that his department and the State of New Mexico intended to be a partner with us. One of the statements was that they were not going to allow us to fail,

that we were going to succeed. He said Alternative III, one thing that it would do, it would be a bad situation if we came along and we picked Alternative I or II and then have the land left and then they would say we certainly intended to do that, and keep adding modern technology but you've used all of the site and took our options away. We could with the modern technology that's added, that would help. On Alternative III, where are we on the possibility of reuse as far as our water? Del Archuleta said everything that would be done in Alternative III would need to be done regardless of reuse. In terms of what process you might put on the backside of that, could be that you don't need any of the process. It depends on doing a study of what you're going to do with that water. If you're going to turn it into a drinking water source you have to do a whole canvas of checks of your effluent. For example, if there was a plating company in town that was adding some silver and it was something that was forbidden in drinking water or whatever, you would want to do a canvas of tests run to make sure that would meet the drinking water standards. Assuming there is no industry like that that would be adding anything foreign, you would get those tests and see if any other treatment is required and then design the appropriate treatment as desired.

John Waters, City Manager said he wanted to follow up on Councilor Stoddard's question. He said the plant itself you wouldn't be scraping everything to the ground and starting over or building everything new. That's a substantial portion although it's not the costly portion that remains. It wouldn't be cost effective if we had to scrape everything of the face of the earth and move over to another site the cost would go up. The building we're using would be the same in all three alternatives; we'd have to build those over again somewhere else. Del Archuleta said if you move over to another site everything that we have estimated in this job would have to be put into this plan. It would be more expensive, if you don't have the Forest Service land and you have to move somewhere else it will be more expensive because you have to make a new place for the influent, you have to get a new permit for each tertiary point from the EPA, the infrastructure has to be new.

Councilor Williams said he had a question about the time element and what those additional costs might be if things were started at another location. He said on the one trip to Washington, this was certainly one place where our legislative delegation can help us. If they haven't come across with the money they need to do that. He thought it was entirely reasonable in today's meeting and each of the governing entities to correct that.

Dan Higgins, Village Manager said in Del Archuleta's presentation to the village and community he identified the three alternatives but didn't address the three-year period after a plant is built and the costs and expenses we will see to test that development. Del Archuleta said he didn't prepare that. He said there was some testing to the effluent that has to be done, reports that have to be submitted regarding the river itself,

some onsite training that has to be done on connecting people to septic tanks. As far as the plant, you're probably talking about a biologist. You could probably minimize those expenses by approaching a university and having someone working on their graduate thesis. It wouldn't surprise him if it would cost a half a million in professional fees, a biologist and experts that have to do with the river. Del Archuleta said he left that out because it wasn't part of their scope. He said that was a fair assessment he said yes but would try to get with a professor and try to get some sort of PhD student. He said not to look at it as something that is put upon you but as an opportunity to demonstrate that you don't have to go down to the 1 milligram per liter and could save millions down the road.

Councilor Miller said the plant has been there for years, since the 70's. If the Forest Service wanted the land back they should have done something before now, it's been used as a sewer plant for 30 years. She said on some other lands if you use it that long it's yours. She said she didn't see that we had much choice, we have been talking about 36 million and if Alternative III does the same as Alternative I and II then that's our choice. She said if we had to later we could add those filters.

Del Archuleta said in the PER the charge was we had to get phosphorus down to .1 . To build an MBR facility for a .1 milligram per liter phosphorus was approximately 33 million. The cost ranged from 29 to 33 million dollars, that's all costs including engineering. At that time it was for 2.5 million gallons a day. You've connected more people and the flows have gone up to about .2 so leave everything the same in terms of capacity based on peak months, which is in September. We are recommending a 2.7 million gallon per day client right now. To keep apples to apples to give you a flow capability for that kind of capacity to grow 5000 people that's about an 8 or 9% increase in the capacity of the plant. That's about a 35 million dollar base price. Since that time concrete and everything else has gone up about 15 to 20% and we are now starting to use the equalization basin that we never had in mind and have to add methanol because of the nitrogen and the aeration basin which grew about 50 to 60% because of the nitrogen limit, that's why the cost went up to 40 million dollars. We did exactly what we intended to do by using bio-wind modeling to hone in on exactly how big those basins need to be, at least in theory and there's not a lot of safety factor or cheap route. It's not too small and it's not too big, it's about what it needs to be based on those models.

Mayor Nunley asked if there were any other questions from Ruidoso or Ruidoso Downs or the JUB. There were no other questions.

Mayor Miller entertained a motion from Ruidoso Downs.

Councilor Garrett moved to approve Alternative III Bardenpho/MBR without Tertiary for the Design alternative for Wastewater Treatment Plant. Seconded by Councilor Miller. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Nunley said the next item was Discussion and Possible Action on Authorization of Molzen-Corbin & Associates to Proceed with Design.

In response to questions by Mayor Nunley, Del Archuleta said he highly recommended that Alternative III be approached in two phases. Phase I-A would require one set of plans, and provided the equipment arrives next week, this phase could be started by next May. If you approve the Phase I-A you're going to get the surveyors out here next week because it's going to take about six months to do those plans and our hope would be to be back out here in May with those plans. That would leave you with the remainder of next year to build it and have it ready by the spring of 2009. If the design of Phase I-B, which is the river portion, is going to take about twelve months. So, if you were to start now, in December, you would be bidding that job about the same time that Phase I-A and B is being finished. That contract would be out of the way, the new facility would be in place, the new flood filters would be there and the sludge presses two years ahead. If you authorize Phase I-A and I-B he said he definitely would break it into two phases.

John Waters said he wanted to remind them that Ruidoso Downs has already ordered the sludge press and that it was close to being complete. The agreement worked out with the funding agency was that we have to spend the governor's tax relief money and get started on the solids. The sludge press had to be stored for "x" amount of time or we're going to have to start paying money and that we need to get started with the solids facility. The sludge press is stored on site right now. Del Archuleta said we have 18 months to store it so we have eight months left from October 23rd. John Waters urged the group for a motion to proceed with the design so they don't run out of time.

Councilor Garrett moved to authorize Molzen-Corbin & Associates to proceed with design. Seconded by Councilor Miller. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Del Archuleta said back when we did the PER, the initial procurement; there were three things with the initial procurement. One was to hire somebody to do a study to determine how to double the capacity of the plant, number two to help you fight the phosphorus problem with the NMED, and number three to take care of the sludge facility. When we went to the PER and discussion of the design there was discussion if that RFP, about three or four years ago, would let us go on to design. He said he

recommend it, and he thought the attorneys concurred, that the safest thing to do would be to go through a new RFP process. You did that about a year ago. You had a bunch of proposals and that was for the design of these facilities. You went through all of that and just to be sure you got two advisors from New Mexico State University that were chosen for that project.

Dan Higgins asked Del Archuleta about additional costs and fees. Del Archuleta said he gave them a budget and just gave a total for the whole job and split it proportionately. Councilor Cory said that he wanted to state on the record that his vote this afternoon was no reflection of his opinion of Molzen-Corbin & Associates as an engineering firm or their ability but rather of a genuine concern of embarking on one of the most expensive projects in their history.

Mayor Nunley stated next item on the Agenda was discussion and possible action on possible amendment of Molzen-Corbin & Associates contract to allow design to be done in phases, possible additional MBR capacity and additional provision for fees and costs for same, if Alternative III is chosen.

Mayor Miller entertained a motion to approve amendment of Molzen-Corbin & Associates contract to allow design to be done in phases and additional MBR capacity and additional provision for fees and costs for same in Alternative III is chosen.

Councilor Garrett moved to approve amendment of Molzen-Corbin & Associates contract to allow design to be done in phase, Possible Additional MBR Capacity and Additional Provision for fees and costs for same for Alternative III. Seconded by Councilor Hood. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated there would be a thirty-minute recess to allow other boards to exit the Council Chambers.

#### APPROVAL OF AGENDA

Mayor Miller entertained a motion to approve the Agenda.

Councilor Hood moved to approve the Agenda. Seconded by Councilor Miller. Roll Call Votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

#### APPROVAL OF CONSENT AGENDA

Mayor Miller entertained a motion to approve the Consent Agenda.

Councilor Garrett moved to approve the Consent Agenda. Seconded by Councilor Holman. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF MINUTES OF RESCHEDULED REGULAR MEETING OF NOVEMBER 13, 2007.

Motion was made by Councilor Garrett and seconded by Councilor Holman to approve the Minutes of Rescheduled Regular Meeting of November 13, 2007. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF ACCOUNTS PAYABLES

Motion was made by Councilor Garrett and seconded by Councilor Holman to approve Accounts Payable. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF MONTHLY REPORTS

Motion was made by Councilor Garrett and seconded by Councilor Holman to approve Accounts Payable. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

UNFINISHED BUSINESS

Mayor Miller stated next item on the Agenda was Unfinished Business-Recommended Budget Adjustment-Full Time Position-Public Works Department.

Mayor Miller entertained a motion to approve recommended budget adjustment full time position Public Works Department.

Councilor Hood moved to approve recommended budget adjustment full time position Public Works Department. Seconded by Councilor Miller. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

OTHER BUSINESS

Mayor Miller stated next item on the Agenda was Other Business. There was no Other Business to be discussed.

NEW BUSINESS

Mayor Miller stated next item on the Agenda was New Business. The first item was Discussion and Consider Upgrade of Safety/ Attendance Bonus for FY 2007-2008.

John Waters said during the budget workshop in May the Council requested that if the budget was in good shape that they would review the financial situation and look at other bonuses or raises for the employees for FY 2007-2008. He said at this time the Gross Receipts Tax is above what it was last year and we're doing about 1% higher than where we were expected. However, this is not so high that he would recommend any increase in salary but what he would like to propose to the Council is a recommended increase in the Attendance/Safety Bonus for this upcoming year. He reminded them that the bonus now is based upon not only attendance but also a safe work record for the fiscal year. Normally for a mid-term proposal this would be brought before them in January but if there was to be an increase in the bonus it would have to be brought up now because this is when we calculate the amount of bonus each particular employee gets based upon the formula approved in the Personnel Policy. The increases we're looking at on average run in the neighborhood of \$300.00 to \$350.00 per employee. He said Steve Dunigan would have to calculate the actual amount and that is getting ready to be done. November 30th is the date that is calculated on. There will be some that will be a little higher, some who haven't used their sick leave. Most of our employees, and this is a good thing for the City of Ruidoso Downs, with the exception of the one police officer who left our employ several months ago; most of the employees have a very good safety record now. We haven't had any major safety work-related issues and we're really happy with that because it affects our modifier from our Self-Insurance Fund. We've go one employee that not this year but last year had a preventable accident that is being counted as a Workman's Comp accident which of course counts against you for a few years in the future. This year has been a relatively clean year with everyone going home to their families. It's an important thing for us and an important thing for the employees. The overall increase we're looking at, and this is just an estimate, in order to double the bonuses that they would be receiving there being a total of 52 employees, the total amount of \$11,747.00 and that are an estimated amount as of October. He said the \$300.00 to \$350.00 isn't a whole heck of a lot but it comes right before the holiday season and would be appreciated by the workforce and help the moral and might help pay for those heating bills. Their safety records deserve some type of reward and we could time this with the checks for our Safety Banquet coming up in December. He said it would be a nice gesture from the Council and the employees would really appreciate that. If the Council should decide to do that and there is enough in reserve to cover that. Councilor Hood asked if this was an act tonight and John Waters said yes it was calculated on November 30th. He said it almost slipped by, when he sat down and looked at it and calculated it he thought we had to get it done if we're going to get it into effect for the Safety Banquet on December 13th. If we're going to have that ready in time Steve is going to have to finish the calculations, Carol is going to have to get the checks ready. We're going have to do those checks anyway and this will require just a little more work from the Finance and Payroll Departments to make sure they have the correct amount.

Mayor Miller entertained a motion to approve upgrade of Safety/ Attendance Bonus for FY 2007-2008.

Councilor Miller moved to approve upgrade of Safety/ Attendance Bonus for FY 2007-2008. Seconded by Councilor Garrett. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

#### PUBLIC INPUT

Mayor Miller stated next item on the Agenda was Public Input with a three-minute time limit.

Jay Smith, Museum Director he wanted to report briefly on a successful event held over the weekend. He said the staff had done a great job of recruiting 18 vendors, artists/artisans. In spite of the weather they had 350 people come through on Friday and Saturday. The vendors didn't do quite as well as the gift shop did but everyone was very happy. He said we had potential weather problems on Saturday but was very proud of the gift shop staff and our staff.

Councilor Hood said there was a wreck about a week ago down the street on Highway 70. He said Chief Ortiz and his department did a very good job down there. It shows what kind of Police Department we have and which way we're going. Everybody he talked to and from other municipalities said how professional they were. He thanked Chief Ortiz for the good job. Mayor Miller said he has done a fine job and increased the quality and wanted Chief to know that he appreciated it.

Councilor Holman asked if Item B in Executive Session had to be all in Executive Session? He said he felt like it would be better to make a final decision in regular session. John Waters said Item A and B, if there was any decision to be made it would have to be in open session by law.

Councilor Miller excused herself to take a telephone call.

#### EXECUTIVE SESSION

Mayor Miller stated next item on the Agenda was Executive Session: Discussion of all threatening and/or pending litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7: Limited Personnel Matters pursuant to Open Meetings Act: Section 10-15-1 Subparagraph (H) 2.

Mayor Miller entertained a motion to go into Executive Session for the Discussion of all threatening and/or pending litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7: Limited Personnel Matters pursuant to Open Meetings Act: Section 10-15-1 Subparagraph (H) 2.

Councilor Hood moved to go into Executive Session for the Discussion of all threatening and/or pending litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7: Limited Personnel Matters pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 2. Seconded by Councilor Holman. Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller closed the regular meeting at 4:04 p.m. and invited W.T. Martin, Jr., City Attorney, John P. Waters, City Manager and Carol Virden, City Clerk and called for a five-minute recess.

Mayor Miller entertained a motion to go back into open session.

Councilor Garrett made a motion to go back into regular session. Seconded by Councilor Miller. Roll call votes: Councilor Hood, Absent; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller called the regular meeting back to order at 6:33 p.m. and asked that a member of the City Council attest to the fact that the only items discussed in Executive Session were that of threatening and/or pending litigation pursuant to Open Meetings Act and Limited Personnel Matters pursuant to the Open Meetings Act and Limited Personnel Matters pursuant to the Open Meetings Act.

Councilor Garrett attested to the fact that the only items discussed in Executive Session were that of threatening and/or pending litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7: Limited Personnel Matters pursuant to Open Meetings Act: 10-15-1 Subparagraph (H) 2.

Councilor Holman moved to direct the City Attorney to draft a severance package for Council to consider at the next Council meeting to include all at-will employees based on years of satisfactory service. Seconded by Councilor Garrett. Roll call votes: Councilor Hood, Absent; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

#### ADJOURNMENT

There being no further business, Mayor Miller entertained a motion to adjourn.

Councilor Miller moved to adjourn at 6:40 p.m. Motion seconded by Councilor Holman. Motion passed unanimously.

---

Bob A. Miller, Mayor

ATTEST:

---

Carol Virden, City Clerk/Treasurer