

MINUTES OF THE REGULAR MEETING
OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
JULY 26, 2004

The Council of the City of Ruidoso Downs met in regular session on July 26, 2004. Mayor Miller called the meeting to order at 5:30 p.m. and asked Joe Blaney to lead the Pledge of Allegiance. Upon roll call, the following were present:

Councilor Miller Councilor Olivo
Councilor Garrett

Administrator Waters informed Mayor Miller Councilor Morales was absent but there was a quorum.

Also present were:

Dan Bryant, City Attorney
John P. Waters, City Administrator
Carol Virden, City Clerk/Treasurer
Ken Mosley, Public Works Director
Robert Logan, Department of Public Safety Director
Tom Armstrong, Permits, Licensing and P&Z Supervisor

APPROVAL OF AGENDA

Mayor Miller entertained a motion to approve the agenda. Motion was made by Councilor Olivo and seconded by Councilor Garrett to approve the Agenda. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF CONSENT AGENDA

Mayor Miller entertained a motion to approve the consent agenda. Motion was made by Councilor Miller and seconded by Councilor Olivo to approve the Consent Agenda. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF MINUTES OF JULY 8, 2004 SPECIAL MEETING

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve the Minutes of the July 8, 2004 Special Meeting. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

APPROVAL OF MINUTES OF JULY 12, 2004 REGULAR MEETING

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve the Minutes of the July 12, 2004 Regular Meeting. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

ACCOUNTS PAYABLE

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

UNFINISHED BUSINESS

There was no unfinished business.

PUBLIC HEARING

MAYOR MILLER STATED THE PUBLIC HEARING IS FOR FINAL BUDGET HEARING FOR FISCAL YEAR 2004-2005.

INTERESTED PERSONS MUST APPROACH THE PODIUM, ONE AT A TIME, STATE THEIR NAME AND PRESENT THEIR TESTIMONY. A LIMIT OF 3 MINUTES WILL BE ALLOWED PER PERSON.

I HEREBY OPEN THE PUBLIC HEARING FOR COMMENTS.

ARE THERE ANY PERSONS HERE TO SPEAK ON THE BUDGET?

AS THERE WERE NO COMMENTS, MAYOR MILLER CLOSED THE PUBLIC HEARING.

MAYOR MILLER ENTERTAINED A MOTION TO CONSIDER APPROVING RESOLUTION 2004-15 ADOPTING FINAL BUDGET FOR FISCAL YEAR 2004-2005.

COUNCILOR GARRETT MOVED TO APPROVE RESOLUTION 2004-15, ADOPTING THE FINAL BUDGET FOR THE CITY OF RUIDOSO DOWNS FOR FISCAL YEAR 2004-2005. SECONDED BY COUNCILOR MILLER. ROLL CALL VOTES: COUNCILOR OLIVO, AYE; COUNCILOR MILLER, AYE; COUNCILOR GARRETT, AYE. MOTION CARRIED.

NEW BUSINESS

Mayor Miller stated next item on the agenda is Honorable Judge Harrold Mansell, 2004-2005 Fiscal Year Budget Requests. Judge Mansell said the only reason I didn't oppose the budget because about 2:30 p.m. this afternoon I got a budget that is 99.9% acceptable after meeting with the attorney this afternoon at 4:30 p.m.. Do you all have a copy of my budget in front of you? Clerk Virden said it is on Page 4. Judge Mansell said at the bottom of the page you will see that the total court's budget is \$81,327. In actuality the budget is approximately \$68,000 because the next to the last line it says Cap Out Computers \$12,700. That was in the first budget I presented you where the Administrative Offices of the Court reimburses the City for a lot of the things that goes through the court. I finally got a purchase order and we ordered a Dell computer. The Dell computer came in today. We have a new court computer system that we are going to change from what we have now and that is what the \$12,700 was for. On the first one, which you didn't include in my first

budget I got; we put that down at the bottom for capital outlay which is normal procedure in accounting to list it that way and you could put it where you wanted to but I had to change it back like this to get it into the budget. In actuality, the actual budget for the court is only \$68,000. Also at the time I presented my budget, I gave a possibility of two different locations to move the court. At the time I told you about moving the court, it was to keep the City of Ruidoso Downs from being sued for exparte information. Exparte is when a judge hears something he should not hear prior to the court case coming in front of him. It is to stop lawsuits and that is the reason I asked that it be moved. If I hear something to bring in an alternate judge, we pay him \$50 to just to come in and hear a case because I hear something I should not hear, I have to recuse myself. We just finished up the second week in June municipal training for the judges in Ruidoso. Judge Wexler, Chief Justice of the Appellate Court of the State of New Mexico, taught us ethics. The entire mandatory hour of ethics this year was on exparte. That is what I pointed out I need the change for. I had asked a man, because if it comes to this and I hope it doesn't, Mauer vs. Russ. Is there anybody that does not know what Mauer vs. Russ decision was. That is Dean Russ' son who was the Mayor of Albuquerque and Judge Mauer sued him. I asked a man that has had probably eighteen years of municipal litigation and he told me the magic word of the court's side of this is "necessary". Who knows what "necessary" means? If it comes to going to court, the judge will present one thing and the Village will present another. Whichever judge making that decision in district court says, it is whichever way he decides. But, the magic word is necessary. The other thing I would like to ask and I talked to the attorney about it today. He assured me it didn't have to be but I would like to have a resolution or an ordinance passed just like the State Statute says by the tenth of the month I must give you a court report or give you a real good reason why. I would like to have a monthly where it is okayed by the Mayor or whomever is in charge of okaying the expenditures year-to-date or a current 2004-2005 as the month vault. As far as the building, Dan and I have reached a situation of where we are going to look at the building across the street which you all offered after I made my proposals. I just wanted to bring you up to speed as far as what I thought. I have been here starting my eighteenth year as a judge and I have never had to do this ever before. I was told the first night that the Village was busted. Councilor Garrett said the Village was broke and the City Administrator said the Village was broke. The next day I called the City Attorney and he said we were not broke. Anyway, that is where we are at now. Does anybody have a question?

Councilor Olivo asked are you going to be satisfied with the building across the street. Judge Mansell said I don't know. As you know I was a contractor and I am going to draw it up and submit the plans to Dan or to Margie because Margie is not here; she is out of town. If it will work, I don't know if it will but I will draw it up to the best possible. The things we know for sure it is going to have to have one bathroom in it that is handicapped. We know that because it is a federal law. It will have to be unisex because of the situation of the handicapped. We are working on it and yes, it might work. I will be the first one to say no, it won't work. You will hear that loud and clear if it comes to that.

Councilor Garrett said let me clarify something. I didn't say we were broke. I said we didn't have the money to spend \$12,000. That was just the rent and then renovating that building would have cost a lot more. So that was my statement at the time. I was the one who suggested you possibly using the building across the street.

Judge Mansell said I don't want to differ with you but I would like to hear the tape before I agree with you. Councilor Garrett said if I did, I apologize for that. We don't have the money to spend \$12,000. Judge Mansell said it must have been the way I interpreted either you or Mr. Waters the answer that you gave me. Did you tape that Budget Hearing? Clerk Virden said once the Council approved the Budget Workshop Minutes, we reuse the tape. We don't keep them on file. Councilor Miller said it is in the Minutes. Judge Mansell said thank you.

Mayor Miller stated next item on the agenda, consider ratifying Mayor Bob A. Miller's Status of Water Conservation Plan (Ordinance2002-06).

Administrator Waters said this is the declaration of emergency the Mayor declared on Monday when our well went down. As you know, the Denton well has recently been giving us some serious problems. We were used to pumping it seven to nine hours a day. It basically stopped. With the Spring and the reduced, diminished level and the Denton well not producing anymore than three to four hours a day without completely dropping down, we are in a situation. You are aware that we went to Ruidoso to ask for water to supplement our system to get us through last week. They were gracious enough to allow us to do that. They did indicate it was probably a one time purchase; they are in water restrictions as well. It is fairly tight all over. We did go to the Governor's office to talk about emergency status. The last community to do this I understand was a couple of years ago. It was the community of Chimayo. They and I believe Timberon under the Johnson administration had a Governor's order showing there were emergency conditions in those communities due to the drought. That order was signed last week by Lt. Governor Denish. This was done on the order of the Governor. What that does is open up emergency funding for us to be able to purchase extra water from our next door neighbor, fix the Denton well and things of that nature. Tomorrow we are meeting with the Department of Public Safety from the State. That is the office that handles emergency management. They are going to come down and take a look at our system. When we get to the water situation in a little bit, Mr. Mosley will go over what our situation is to date. We have our hydrologist here and he will give us a presentation on the status of the aquifer and what our outlooks are as well as hydrologically to try to supplement our water source. That is why this was declared. It is under our water conservation ordinance for the mayor to declare this whenever there is an emergency.

Judge Mansell asked when we purchased that water from Ruidoso, is there anyone sitting on the Council here when we had to come to their rescue. Councilor Olivo said I know they have the valve set up to work both ways. Judge Mansell said the well that is located down by the cement plant for Ruidoso was contaminated with

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diesel fuel and they could not use the well. The Village of Ruidoso Downs came to their rescue. Did they pay us for that water at the time or was that discussed. Councilor Miller said I remember that happening but I don't remember anything but the water.

Councilor Garrett moved to approve Ordinance 2002-06 ratifying Mayor Miller's Status of Water Conservation Plan Phase III. Seconded by Councilor Olivo.

Councilor Garrett asked Mr. Mosley do we have triggers that go off when water gets to a certain level that you need to come to the Council or we need to have more information. We need to have information all along. Is there a possibility we can set up a trigger system so that as we are producing water and the water level falls, we are made aware of it. Mr. Mosley said it is in the water conservation plan when the Spring and the Denton well get to a certain flow.

Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, consider approving Resolution No. 2004-16, 4th Quarter Budget Adjustments in Fiscal year 2003-2004 Budget.

Administrator Waters said as you aware, one of the audit findings was we didn't have an end of the year final budget adjustment. This is the correction for that. This basically cleans up the end of the year and it puts a book end on this year's budget to start the next year's budget.

Councilor Miller moved to approve Resolution No. 2004-16, 4th Quarter Budget Adjustments in Fiscal Year 2003-2004 Budget. Seconded by Councilor Olivo.

Councilor Garrett said I want to commend all of the departments of the City because when I looked at those adjustments, we have controlled our budget very well this year. I want to thank every one for trying really hard for controlling the budget.

Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, consider approving Resolution No.

2004-17, Infrastructure Capital Improvement Plan (ICIP). Administrator Waters said this is the annual infrastructure capital improvement plan. This is very similar to the one you passed last year and is due every year. As you look through it, nothing should surprise you; the water projects are on top with drainage high up there. The wastewater treatment plant and wastewater collection lines are all high on the list. In addition, we also have All American Park improvements and other things listed but the top priority as was listed last year and the year prior to that are the water projects. We did receive all the funding we needed last year to complete all of our projects. We are asking Council's approval tonight to continue to seek funding grants to try to continue to get our water projects, particularly the three emergency projects that are identified in our Water Master Plan taken care of. I think now is the time we need to move on it now that our situation has made it to

Santa Fe and they understand the nature of our water issues. Perhaps it will free up some additional funding to help us get these projects taken care of.

Councilor Olivo moved to approve Resolution No. 2004-17 Infrastructure Capital Improvement (ICIP). Seconded by Councilor Miller. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve Resolution No. 2004-18 approving and accepting Cooperative Agreement Control No. 86526 with the New Mexico Department of Transportation (NMDT for Project No. SP-2-05 (974). Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve Resolution No. 2004-19, SAP 04-0193-STB Water Storage Tank. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve Resolution No. 2004-20, SAP 04-0194-STB Wastewater Treatment Plant. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Motion was made by Councilor Miller and seconded by Councilor Olivo to approve Resolution No. 2004-21, SAP 04-0195-STB Sewer Collection Expansion. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, consider Mayor Miller's reappointment of Acting Supervisory Position in Police Department until hiring process is complete.

Councilor Garrett moved to approve Mayor Miller's reappointment of Robert Denny as Acting Supervisory Position in Police Department until hiring process is complete. Seconded by Councilor Miller. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, consider approving promotion of Parks and Building Maintenance laborer. Mr. Mosley said Anthony Taylor has been working with us for a couple of months in our temporary laborer position in the Parks & Recreation department. He has shown that he is an excellent worker and I think he would be a great asset to our City. I believe he is the only one that applied for the position and I recommend that we approve his promotion.

Councilor Olivo moved to approve Anthony Taylor for promotion to Parks and Building Maintenance Laborer. Seconded by Councilor Miller. Roll call votes:

Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, appointment of Keep Ruidoso Downs Beautification Committee. Councilor Miller said we started a little over a year ago and became a member of Keep America Beautiful. Ruidoso Downs is now an official member of it but we really haven't gotten started with anything. We did a couple of cleanups and they were very successful. We usually do it in April when it is cleanup month. We put big roll offs in the park and people brought all kinds of stuff. They even called and thanked us for it. We would like to do even more so we thought about getting a committee together and some people graciously volunteered to be on this committee. We can have more if anyone is interested. Maybe we can meet once a month and do something else besides a once a year cleanup. I am looking forward to maybe plaques for "Pride of the Yard Month".

Councilor Garrett moved to approve the Keep Ruidoso Downs Beautiful Committee of Judy Miller, Sally Turner, Ursula Eckersley and Cynthia Trujillo Garner. Seconded by Councilor Olivo. Roll call votes: Councilor Miller, Aye; Councilor Olivo, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the agenda, consider declaring and approving worn out, unusable and obsolete tangible personal property at the Senior Citizens Center. Councilor Garrett said they have some kitchen cabinets, a countertop and countertop range that does not meet the State standards so they would like permission to take those out. What is really nice about it is when they do remove these items, the State has agreed to fund a large icemaker.

Councilor Miller moved to approve the list of unusable or obsolete property for the Senior Center. Seconded by Councilor Olivo. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

OTHER BUSINESS

Councilor Olivo asked Mr. Mosley did you get a call from a lady that her yard got flooded and now her yard has nothing but red clay. Mr. Mosley said yes he did and we have already gone in and fixed that drainage area.

Administrator Waters said at this time we have a water report. At every Council meeting until we solve this problem, we are going to give the Council a status report. We are going to try to have weekly reports to the Council so if you receive questions you can answer them. Definitely if you have any questions the man to call as far as the reservoirs is Mr. Mosley. He keeps a daily tab and watching the flow of the spring. To date, the State has declared an emergency for the City of Ruidoso Downs for the drought. We get rain and lots of it but unfortunately the spring is not showing an immediate pick up. Yesterday I drove on the road between Cloudcroft and the reservation and they were getting hammered with rain. Somewhere between here and there is our recharge area and hopefully that will translate to a

higher flow. We are anticipating that this will have some type of affect on the spring.

Mr. Mosley said currently the Redman tank is full at 35 feet and that was at 4:20 this afternoon. We have gained 31 feet since Thursday when Ruidoso chose to allow us to purchase water from them. The spring tank level is at 28 feet out of 32. We have gained 20 feet since Thursday. The spring flow is at 228 to 130 gallons per minute. It fluctuates in that area. As we speak Usery Drilling is in the process of deepening the Denton well to 300 feet to possibly lower our pump to a depth that we can produce enough water to supply the community throughout the summer. Shortly after this meeting Jim and I will go over there to see how much they have progressed. At that time, we may have a little more information and we ask that Mr. Waters pass it on to the Councilors. To date at 2:30 this afternoon we have purchased 644,000 gallons from Ruidoso. We have a balance of 356,000 gallons. It is real close in line to the numbers I presented to Ruidoso about how much we would need to fill our tanks. At this time I would like to thank the Village of Ruidoso and the Ruidoso Water Department for their consideration and letting us purchase water. I want to thank Benny Sanchez, Ronnie Randolph, Ricky DeVara and Shane Casler for their hard work and dedication during this emergency, Usery Drilling for quickly responding when we called, Carl Kelley for their quick response, Glorieta Geoscience, specifically Jim and Jay, for their guidance on the wells and the direction we need to proceed to maintain our water supply for the future and last, but not least, the Citizens of Ruidoso Downs for their efforts in conserving water during these trying times.

Councilor Olivo said I would like to thank two of the employees that worked our well when we were trying to get water from Ruidoso from 7 o'clock in the morning on Wednesday morning. Mr. Mosley said Ronnie Randolph and Benny Sanchez worked 34 hours straight and they are still out there working right now.

Administrator Waters said if I might add, Mr. Mosley has been putting in extremely long hours as well. He has been keeping tabs on this hourly at times watching the flow so he deserves a lot of credit as well. This is where our Level IV water experience pays off in hiring a Public Works Director with that type of experience. He has been very diligent in responding in this emergency. As you know, he gave us a memo the minute he thought possibly we might need to purchase water from Ruidoso. We tried some things to fix the Denton well, some quick fixes but they didn't work. Mr. Mosley was on the spot when we hooked the system up and deserves a lot of credit for keeping this water system going and keeping water going through your taps.

Administrator Waters said at this time Jim Riesterer is here from Glorieta Geoscience. He will give a slide presentation on our Yeso formation and how our water supply relates to that. Mr. Riesterer said for those of you at the meeting that are not familiar with what is going on, my company was retained by the City of Ruidoso Downs starting in April to look at the sources of the Spring which is the main supply of water for Ruidoso Downs. The City had recognized that the flow of

the spring was declining. We were retained to determine what the source of the spring was and why the springs are declining as well as to look for alternative sources of water if that became necessary. The original study we set out by taking a long-term approach and by that I mean what we could do over the course of a year to ensure a supply of water for the City. Then over the course of last week when the Denton well went down, things became kind of an emergency and we were contacted to ask to be here to update you on what we have found so far and to work with Mo and other City staff to see what we can do in the short term to make sure that the water keeps flowing.

He then started the presentation. The goal of our study again was to look for the source of water for both the spring and the Denton well because they are the sole sources of water for the City, determine why the flow of the spring has decreased over time and then look at alternative water sources. In order to do this, we spent a couple of days mapping the geology around here looking at the geologic structures that might have some control on ground water flow. We collected samples from three wells and three springs in the area for geochemical analyses to look for geochemical signatures that could help us identify the sources of the spring and the well. These lines represent folds in the rocks and what I mean by folds are places where the tide forces have squeezed the rocks together and it results in the rocks folding up. What we found are several exposures to these folds where the rocks are very highly fractured. The rocks we are looking at here are limestone and they are sitting on top of shales. Shales are basically clay that has turned into rock but they are still basically slick so that allows the limestone to fold on top of them. At the same time those shales are relatively impermeable rocks; water doesn't percolate through shale very well. It likes to flow along the top of the shale. What we think is going on with the spring is there is folding going on top of the shale and the folded rocks are fractured so the water is being sort of funneled along those fractures on top of the shale. The other thing at Turkey Spring Canyon, there are faults that were mapped by previous workers and faults are rocks moving up and down. Faults can also result in fracturing of the rock which can enhance ground water flow. We were looking both of these things in terms as the source of the spring and potential well sites. We think the water is flowing along through these fractures on top of the shale. Equally as important is how long it takes the water to get to the spring from wherever it is coming from and where the actual water is coming from. We took some chemical samples from the San Andrus limestone which sits on top of the Yeso formation and the Yeso formation itself. We know the source of the water in Hale Spring is coming from the Yeso based on our geochemical plot rather than the San Andrus limestone. In addition to our general chemistry plot, we took some isotope plots. Isotopes are useful for getting relative ages of water. What we are interested in is finding out the rate it recharges the spring. We took samples from the three wells and the springs; they all plot very closely to what is called meteoric water line which tells us this is relatively young water. The oxygen ditritium isotopes differentiate on a scale of 10,000 years so we know the water is less than 10,000 years old. It is not uncommon to have water that is more than 10,000 years old. It is good to know that it is not real old water; there is recharge going on. What turned out to be more useful were tritium samples which is another isotope. Tritium

differentiates on a scale; it gives us ranges between less than five year old water, between 5 and 50 year old water or more than 50 year old water. All of the samples collected were less than 5 and more than 50 years old. That suggests to us that we have a mixing of two different sources of water. One being precipitation so we have rapid infiltration of water that contributes to the spring as well as older water that is part of the regional aquifer system that is also contributing to the spring. There are two potential causes of the declining flow of the spring. One would be the decrease in precipitation we have had over the past five or six years and it becomes a cumulative affect where over time as you have more and more years of drought the infiltration is going to be less and less. Your spring flow is going to decline. Because we have the older water, we know that the spring is tied into the regional aquifer system which takes a longer time to recharge. As more and more wells go into the aquifer, the water level on the aquifer is going to decline and that is going to have an affect on the spring as well. Unfortunately, we only have good records on the spring for the last six years. You can see that spring flow has dropped off from 1999 where it averaged about 340g.p.m. down to 2003 where we averaged 240 g.p.m. We have had a pretty rapid decline over the past six years. The only other data points we have on the spring is one measurement from 1980 that an engineer did. It was higher even than what we had in 1999. Then we have two measurements in 1949 and 1955 and those measurements are about what we have now. There was a major drought in the 1950's and we are seeing the low spring flow then which suggests to us that it probably is drought related. The regional pumping probably is having an affect on the spring. Domestic wells are more than likely having an affect. When the Denton well went down we hired a logging company to do a video log of the well. We wanted to see if there was anything causing the problem in the well that was easily fixable. We didn't find anything that is obviously causing the problem. What we could see is over time in the well as you pump it you build up scale. The scale was six feet above what it was this past spring indicating the water level on that well which is part of the regional system has dropped at least six feet over the past twenty years since that well was drilled. That is not a dramatic decline but it does indicate the regional system is declining and that will have an affect on the spring. The ground water elevation in the Cherokee well which is one of the Village of Ruidoso's wells has the same elevation as Hale Spring. We are fairly certain most of the wells in the area are tapping into this regional aquifer that is at the same elevation. We do have some more work to do but our preliminary conclusion is the spring is coming from the Yeso Formation. We think its originating along some fractures and some folded rocks. The Denton well is also completed in Yeso Formation. Both the well and the spring have a mixing of water that is less than five years old and more than fifty years old. They are both influenced by precipitation and regional water decline. After looking at what we have found and talking to Mr. Mosley and Mr. Waters, we decided the immediate decision is the Denton well needs to be repaired and brought on line so that you have water. If we can get the Denton well back on line and sufficiently meet the demands of the City in the short term, what we recommend doing is then drilling a deep exploratory well down to the bottom of the Yeso Formation which nobody else in the area has tapped into. We can then turn it into a production well that will hopefully meet the needs of the City far into the future and become a long-term solution instead of a short-term fix.

PUBLIC INPUT

Bonnie Richardson said I am chairperson for the Parks and Recreation Committee. In May we had scheduled a Market in the Park but had to postpone that so the new date is Saturday, August 14th from 8 until 5. The Market is taking on a personality of its own. Admission will be free and we have several people who are setting up booths for children to play games. We have several arts and crafts people and we have a food booth. Prices Creamery has donated \$900 worth of ice cream bars. The raspberry farm from Hondo Valley will be here to sell raspberries and blackberries. We are still putting out the word that booth spaces for profit are \$25 which is very reasonable. Non-profits have a chance to jump in and earn some money for themselves because their spaces will be donated. This means like 4H, Boy Scouts, Girl Scouts and anybody who is doing something for the good of the community.

Karen Jones said on this issue that you are going to go into Executive Session about, Acquisition of Real Property and Water Rights, I really think the Council should consider a moratorium on high-density housing until this so-called emergency is settled. I would caution you about buying more property for water rights since you bought that piece of property that you are trying to sell high density housing on that is going to use twice the water rights than you acquired for \$235,000 of our money. I have a copy a letter from the Department of Finance and Administration dated June 30th to the Mayor regarding approval of your proposed budget. Apparently, the State Department of Finance and Administration is concerned about the cash balance in the General Fund. They made a comment that cash balances are severely depleted in many funds and they plan to monitor that closely. So before you run out and spend another \$235,000 of our money on property to acquire water rights, I think you need to reconsider your plans for high density housing until this water crisis is resolved.

Chief Logan said I would like to ask that we go ahead and lift the fire restrictions due to the recent higher humidity, rain amounts and lower temperatures. We would like to rescind the current fire restrictions and continue with our year-round fire restrictions regarding no open burning. I would like to ask the public to be very careful when we lift these fire restrictions and I would also like to thank them for their patience through the fire restrictions we have had in place.

Mayor Miller said I hereby lift the fire restrictions.

EXECUTIVE SESSION

Mayor Miller stated I would like to entertain a motion to go into Executive Session pursuant to Section 10-15-1(H)8, Acquisition of Real Property and Water Rights.

Motion was made by Councilor Olivo to go into Executive Session pursuant to Section 10-15-1(H)8, Acquisition of Real Property and Water Rights. Seconded by Councilor Garrett. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated I would like to invite City Attorney Bryant, City Administrator Waters and City Clerk Virden to attend the Executive Session and closed the regular meeting at 6:40 p.m.

Mayor Miller stated there will be a five minute recess to clear the Council chambers.

Mayor Miller called the regular meeting back in session at 7:18 p.m. Motion was made by Councilor Olivo to go back into open session. Seconded by Councilor Miller. Roll call votes: Councilor Olivo, Aye; Councilor Miller, Aye; Councilor Garrett, Aye. Motion carried.

Councilor Garrett declared that nothing was discussed in executive session except Acquisition of Real Property and Water Rights and no action was taken.

Mayor Miller entertained a motion to adjourn. Motion was made by Councilor Miller and seconded by Councilor Garrett to adjourn at 7:18 p.m. Motion carried.

Bob A. Miller, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer